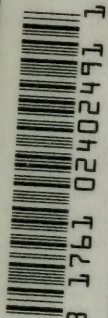


TIMBER BONDS

BY

T. S. McGRATH

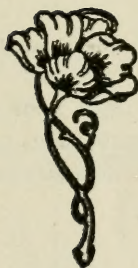


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Timber Bonds

BY

T. S. McGrath



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CHICAGO, ILL.

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TIMBER BONDS.


BY

T. S. McGRATH.

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PREFACE.

This book treats the Timber Bond from a purely practical basis. No attempt is made to advance theories. When given careful consideration, the criticism of the present sinking fund practice and title examinations will be acknowledged sound by all concerned. No effort has been spared to make the chapters short and the language used simple and clear. The circulars and mortgages quoted are given in full that they may be safely followed for guides and comparisons.

I wish to express my thanks to Mr. Edward E. Barthell of Nashville, Tennessee, for the mortgages, to Mr. Calvin Fentress of Lyon, Gary & Company, Chicago, for ideas and criticisms, to Mr. H. S. Sackett, U. S. Forest Service, for information and data, and to the Bond Houses for circulars and suggestions.

T. S. McGRATH.

Chicago, July 5, 1911.

CHAPTER I.

TIMBER BONDS.

The underlying strength of the security behind the Timber Bond is steadily forcing it into great favor with bankers, institutions and individuals. When the exact nature of the investment is fully understood by people with money the market for timber bonds will become very broad and the six per cent bond will pass out of existence. Even now, timber bonds are being sold on a 5½% basis. These bonds are issues which have been created with the greatest care. The cruises of the timber and examinations of the physical properties have been made, or checked, by the private experts of the issuing bond house. The titles have been examined at the county seats and abstracts verified by the original records. All the legal procedure from the incorporation of the company down to the delivery of the bonds has been certified by eminent attorneys. The books and accounts have been audited by experts who are celebrated for the thoroughness of their investigations and their insight into affairs. The work of floating these issues has been superintended from its inception, either by experts of the negotiating bond house, or the underwriters referred to in chapter three of this book.

Forest fires, and the loss of timber thus caused, is the chief argument used against timber bonds. The public gets its ideas of these fires from what has occurred in the upper Mississippi Valley. The situation of the commercial timber at present practically removes this fire risk. The chapter on forest fires will clearly show this danger to be greatly magnified.

There are some speculative timber bond operators now doing business and some issues at present outstanding that will default. Less than half of one per cent of the dealers can be classed as speculators, or with a tendency toward rapid riches. Amongst no other class of bond dealers is the percentage of legitimate, conservative and careful operators so large as in the Timber bond field.

The serial is the only safe timber bond and the last maturity must fall due while there is ample stumpage standing to protect the property until the trust deed is fully satisfied and the Trustee released. The sinking fund clauses should cover this point clearly and thoroughly. A careful reading of the chapter on sinking fund will enable the student or banker to form safe conclusions.

Successful practice and the daily operations of sound and active traders is the best guide for those contemplating the timber bond field either from the outlook of borrower, banker, dealer or investor. The bond circulars given in this book have been selected with care and will

furnish material for a complete survey of the issues of timber securities now outstanding. The circular form used by the same house for different issues is nearly always after a set style, but the values of stumpage, percentage loaned, sinking funds and other vital points differ in each circular.

The legal opinions and legal procedure in general must be closely watched when dealing in timber securities. The forms of mortgage given in this book are the best in existence to-day and should be carefully studied. No investor should purchase a timber bond before reading a copy of the legal opinion on the issue and noting if the titles have been checked at the county seats and the original records examined.

Holders of timber bonds or those wishing to invest in such securities can have the bonds they own or want to purchase examined, appraised and passed on by independent experts. Capitalists can now take advantage of the high returns on timber investments, and under skilled guidance buy those that are sound and safe.

CHAPTER II.

FLOATING DEBTS.

In the present generation when the stumpage owner, logger and millman are nearly always the same individual, it takes much more capital to operate the lumber business than it did in the old days. The timber holdings must be very large to warrant the construction of the modern mill, and supply it with cutting material for a sufficient number of years. The logging equipment comprises steam railways, locomotives and cars in addition to the woods tackle. All this gear costs heavily for every mile of road built and every thousand feet of timber taken out. The logging and milling crews are larger, the commissary more extensive, the pay rolls heavier, the liabilities of every nature more pressing. The cost of stumpage is tied up for a long term of years and can be collected only in small portions as the land is logged off. The money spent in the cutting of trails, building of railroads and construction of mills is a permanent investment that practically can never be reclaimed. The operator is forced to extend credit to the people who buy lumber from him and he carries them for any length of time from ten days up to six months. He must pay freights in cash,

taxes are exorbitant and inexorable, and pay rolls can never be postponed.

In time the floating debts and quick assets get out of all proportion and must be adjusted. An investigation is instituted to study each part and phase of the business in order to learn how to relieve the situation. This study commences with the timber holdings in the hope that some of them may be so situated as to permit being sold and turned into cash without hurting the logging layout or hampering the future operations. Instead of being in a position to sell stumpage, it is usually found that the mill is sawing up timber a little faster than was originally expected and not only is selling stumpage out of the question, but to be entirely easy over the big investment in the mill, logging road and equipment, more timber should be purchased. The investigation then moves on to the railroad, railway equipment and logging equipment in order to see if some of the locomotives can be spared, lighter rails laid, fewer cars used or if a saving can be effected in donkey engines, cable or other gear. It is found here that the timber is being logged faster than was at first planned, that locomotives and cars are working up to capacity, that donkey engines are crowded and that a heavier rail could be used much more economically than the light one at first put down and now doing service. The maintenance of road has not been kept up to standard and the equipment has been

so busy that maintenance of equipment has not been attempted. It is only a short time until the rolling stock must commence going to the shop for extensive repairs. No curtailment can be effected here. Instead an expenditure must be made for reserve rolling stock, more rails, donkey engines and tackle. The roadbed ought to have considerable money spent on it and altogether quite an outlay should be made in this end of the business. The examination then moves to the mill to see if any economies or savings can be effected there. The mill is of the most modern construction, under thoroughly efficient management and operated with full care and frugality. It cannot be improved on.

The books are then audited and a general review of the business is made to learn the best plan of action. The final result of all these searching investigations is to convince the operator that a business where the capital is chiefly in the form of what might be called "funded assets" cannot be conducted on the basis of a business having its capital in the form of floating assets.

CHAPTER III.

FUNDED DEBTS.

Owing to the nature of the business, logging enterprises and sawmills are often located in places where the banking facilities are very limited. Small banks cannot extend accommodations of much value to a large undertaking like the modern logging and milling projects. The operators are forced to seek elsewhere for money credit. Short time loans from nearby banks are not satisfactory, as they are liable to be called at the most inopportune moment. The banks in times of need must first care for their local customers.

Commercial paper has not proved suitable to the mill man. The floating of such paper, and meeting the interest on and retirements of short time notes, forces him to operate in dull seasons and on losing prices. He must care for his floating debts no matter how large the immediate loss on the transactions. The logging camps and mills cannot be shut down on account of the urgent current money requirements. A bond loan prevents the necessity of operating at a loss. It provides all the necessary capital required to do business in the safest manner. It eliminates all floating debts and short time paper. The operator knows exactly what he must figure on in the way of in-

terest charges and retirements. After arranging to meet these every six months he can run the business to suit himself.

The logging and milling business is often the life of the community in which it exists and all the other enterprises in the neighborhood are dependent on it for success. These others are too small to go out of the immediate vicinity for loan accommodations. To do business they must be carried by the local bank. The timber company has land to sell, by-products and fuel to dispose of. It is deeply interested in building up the town, and should not, for these reasons, use the resources of the local bank. A bond loan allows it to avoid borrowing from the local bank.

Having a large stock of lumber in the yard ready for immediate shipment enables a company very often to get a premium over the market price for quick delivery. It takes money to carry such a stock. A bond loan furnishes it and permits the operator to make bigger profits.

In the discounting of bills and accounts much money can be saved by a large business. Ample working capital places the operator in a position to take advantage of lower cash prices and cash discounts. A bond loan furnishes the necessary funds and the saving thus effected goes a long way toward paying the interest on the bond issue.

The company that is fully equipped with working capital is in a very powerful position

when it comes to getting and holding trade. It makes little difference about the size of its timber holdings and milling capacity when it is competing for orders. If it is cramped for funds it cannot hold its own with the company that has smaller assets but more ready money. A bond loan secured by its land and timber furnishes all necessary cash requirements.

It would be possible to recite many more sound reasons showing the advantage of funded debts over floating liabilities, but those enumerated are sufficient to prove to the banker and bond dealer the wisdom of the timber operator who mortgages his property for the necessary funds to furnish the cash to handle his business with economy and safety.

The lumberman has gone over the situation, reviewed his business thoroughly and realizes he must have more money. Instead of being able to take advantage of the numerous ways of making and saving, of protecting his holdings, of extending his business, and caring for his customers, he is constantly crowded by his due bills, and his affairs are at a point where something must be done. He decides to fund his debts.

The operator carrying a large investment in plants and stumpage, loaded with floating debts and facing the necessity of further heavy cash expenditure for improvements, extensions and purchase of timber, out of which he can draw no immediate return, has decided to fund his

present liabilities, and borrow the money necessary for his needs in the form of a bond issue, maturing over a period of years, and secured by a first mortgage and prior lien, on all his holdings now owned or to be acquired.

In order to negotiate this loan and get a fair price for his bonds, the enterprise must be well founded and sound. The property must be favorably located, the shipping facilities ample, the market for the product not restricted, the plants modern and economical producers, the timber of good quality, the cost of logging and milling not excessive, the selling department well organized and effective. Every branch of the business must be able to stand the closest scrutiny of the experts that the bond underwriter or the banker will send on the property to make investigations.

CHAPTER IV.

THE UNDERWRITER.

The difference between timber bonds and industrial bonds has not always been realized by those issuing timber securities. Again timber bonds have been brought out by some houses in the same manner in which they would issue real estate or land bonds. The errors have resulted in some defaults. Such houses are responsible for the prevailing notion that only the bond dealer who specializes in timber securities can handle them with perfect safety.

This idea hurt timber bonds and narrowed their market. It founded the feeling amongst many bankers and bond dealers that timber bonds were good things to avoid. These men did not have the time to study timber and allied industries and they invested their funds in paper they understood or could easily learn all about from a reliable source.

The prejudice thus created also hurt the timber owner and forced him to put up security out of proportion to the money loaned him. It caused him to pay heavy sinking funds and high interest rates, and to sell his bonds at a big discount. The inherent value of the timber bond alone saved it from being driven out of existence by the ignorance and greed of "Timber Experts" and other interested parties. The

timber cruising firms knew nothing about bonds and they were very jealous of their knowledge of timber. The bond dealers and bankers found it next to impossible to get the real facts and give themselves and the timberman a fair deal. The result was that the timberman usually suffered through the unwillingness of the timber expert to advise the banker fully on the technical questions regarding stumpage.

The first timber bond was written about ten years ago and the situation explained above continued for several years. Then the most reliable timber bond dealers commenced organizing their own force of experts and some wealthy lumber operators also entered the timber bond business. This partially relieved the situation, which was further helped by the rise of a few very expert cruising firms who adopted the broad policy of fully advising the bond buyers on every phase of stumpage values and logging.

// These cruisers, however, are not familiar with commercial life, as they are professional woodsmen. Neither do they understand the creation of a bond issue. Thus, the average bond house and banker was unable to get satisfactory advice on timber bonds until some two years ago. About that time a couple of men who thoroughly understand stumpage, timber values and the lumber business, and who are experts in industrial bonds, entered the field as underwriters. Their policy is to analyze and report on issues through every phase of their creation,

for any person who wants the information. Their business is underwriting whole issues for timbermen and placing them with banks and bond dealers. These men supply the long felt want. That buyers appreciate their services is attested by the fact that millions of dollars worth of bonds have passed through their hands in the short time they have been operating.

When the timberman decides to float a bond issue on his holdings, he goes to these underwriters or some bond house or banker to negotiate his loan. If he places it in the hands of the underwriters their first move will be to make a close survey of the entire project before calling for the investigations of auditors, cruisers and attorneys.

CHAPTER V.

REVIEW OF BUSINESS.

All the expenses incident to a bond issue must be borne by the timberman. These expenses consist of an audit of the books, a cruise of the timber, the legal charges for examining titles, drawing the trust deed, drafting the text of the bond, the charges of the trustee, the cost of certifying the bonds, the cost of printing the mortgage, lithographing the bonds and incidental expenditures. Should the bond issue fail through some fault or mistake of the timberman, it would be very costly to him.

Every precaution should be taken to eliminate the risk of failure before incurring the outlay for expensive investigations. The business should be reviewed to ascertain if the loan is feasible on the basis of the statements and data furnished by the timberman. This review should cover the financial, industrial and stumpage operations. The prospective borrower can furnish a statement of assets and liabilities as taken from his books. A statement showing the volume of operations with the disbursements and receipts incident thereto. Each department should be shown in detail. A cruise of the timber, giving its kind and quality and if long leaf pine, stating whether it is round or bled, a description of the various equipment

and plants. An examination of these statements will enable the analyst to judge with fair accuracy if the loan can be negotiated. If so, he should get on the ground and examine the property to see the kind of timber, and the nature of equipment used in getting it out, to judge the efficiency and value of the mills, to note the manner of accounting, and to see the method of handling sales. In this way he takes a mental photograph of the entire business and can tell almost exactly what the timberman can borrow if the information is approximately verified by the expert investigations to follow.

Standing and living timber is the life of a timber bond. The life of the security for the loan must be green and growing stumpage. A small proportion of over mature trees may be allowed. No loan should be made on timber consisting mainly of over-ripe trees. Down timber should not be considered unless it is easily accessible. Dead timber still standing should be cruised. Fire killed timber should be cruised. The timber should be on land owned in fee simple. Twenty five per cent of stumpage contracts may be allowed if the life of the contracts or the time granted for removal of timber is longer than the life of the bonds. Bonds should not be written when secured by timber standing in a county where taxes on timber land are excessive.

The ground should be fairly good for logging. If very hilly or rough the breakage in

falling is liable to be excessive. It should be a good logging chance. The breakage must be deducted from the stumpage yield and the loan value figured on the estimated footage less the estimated breakage for the entire tract. In redwood and other very large timber, the breakage is heavy.

In the South, where long leaf pine is bled for turpentine, either by boxing or cupping, care must be exercised in making valuations. Round timber is the tree before being boxed or cupped for working. Boxed timber is the tree that is now or has been boxed or cupped for working. The cup system is easier on the tree and more modern than the box. Round timber is worth more than boxed or bled timber and in bled timber the tree that is cupped is more valuable than the tree that is boxed. The value of bled timber depends entirely on the condition of the particular tract as shown by the detailed cruise.

The logging equipment must be modern, in good condition, ample to get out timber fast enough to protect interest and retirements on the loan. The cost of logging should not be too far above the average for its particular locality. If the cost of logging is under the local average, it speaks highly for the enterprise.

The logging railway should be well built, fully equipped to handle the output and operated with economy. The kind of locomotives used will depend on the grades. Where geared

engines are necessary the rolling stock should be equipped with air brakes. In fact all rolling stock, whether operated with geared or direct engines, should be fitted with air. One runaway would more than pay the cost of such equipment.

The mill should be in good repair. Whether band or circular it must be economical of its kind. Bonds should not be written on mills that butcher timber. Such sawing shows indifferent and improvident management and eats into the security. Timber slaughtering mills are quickly killed off when competing plants go after their trade. The capacity of the mill should be sufficient to cut enough lumber to care for the interest and retirements on the loan. There should be ample water supply at the mill and sufficient hydrants and hose to handle any fire. The pumps should be good, the hose sound and easily accessible. If possible a sprinkler system should be used. The refuse burner should be covered with spark arrestor and placed as far from the mill as possible.

The Sales department must be well organized. The market is vital to the income and the books must show a clean record on this point. Also the Accounting and Collecting departments must be effective, and the business in good credit. The shipping facilities must be good. The plant must be on a railroad that enables the lumber to reach a ready market. Plants located on more than one road are very

desirable. Plants located so they can ship by rail and water are the choicest risks. Plants located on a line that suffers from chronic car shortage should be avoided. Plants located on a line that is short on motive power should be avoided. Each lumbering enterprise has its individual points that must be scrutinized and these features will be brought out in the expert reports of auditors, cruisers and attorneys.

CHAPTER VI.

AUDIT OF BOOKS.

Many people confuse the auditor with a book-keeper or office accountant. This is a great mistake. The expert auditor or certified public accountant is one of the most highly trained and technical professional men of the present day. He is in the same rank with the consulting civil engineer and the expert investment analyst. He is educated deeply in his special work and taught to go to the very heart of conditions in the most direct and thorough manner. Nothing escapes his trained and vigilant scrutiny. The auditor estimates the timber supply and future possibilities. The auditor writes the history of the business. The auditor does not care particularly for glowing prospects; he wants accomplished facts. The auditor brings together every branch of the business in a clear and concise form. He shows receipts and disbursements, earnings and outlays, profits and losses, assets and liabilities as they actually exist.

Up to the present time investment buyers of timber bonds are furnished only with the balance sheet appearing in the circulars of the house selling the securities. These buyers should be provided with an annual statement of the affairs of the company whose bonds they

own. This statement should be made up by responsible Public Accountants who are familiar with lumber operations and accustomed to audit for bond issues.

The mortgage protects the banker and bond dealer by permitting them to enter on the property and make investigations and audits at any time. This is in the nature of insurance. It prevents the property from being skinned and forbids fraudulent operations by dishonest people. The timber industry is composed of exceedingly high class men and these investigations are not often made. Comprehensive reports, made by independent experts, and furnished regularly, would increase the desire for timber bonds, by giving the public who now hesitate to buy on account of lack of knowledge of timber operations, confidence in them. These reports would tend to put timber bonds in a very desirable class and greatly broaden their market.

Recently I had occasion to ask a bond dealer for the latest balance sheet of a lumber company for whom he had sold an issue of bonds. The bonds were disposed of more than two years ago and he has not since had their affairs inspected. The only information he could give was from the original audit. This attitude is wrong and dangerous. The day will soon be here when buyers of timber bonds will insist on annual reports. They are entitled to them

and bond dealers should see that they are furnished without request.

The particular audit on the books and accounts of an operation for the purpose of learning if the operator is entitled to a bond loan is made to determine the assets, the liabilities and the profits. This examination will show the purchase price of timber land, equipment and mills. It will show the figure they are being carried for on the books at present. The audit will exhibit every detail of manufacturing cost, taxes, interest, insurance and overhead charges. Many operators think they are making a profit when in reality they are running at a loss. These men omit charging up the cost of stumpage, the interest on the investment, the taxes or the money they loan the business from time to time. When operating without a bond issue it may be well enough to overlook interest, but with a bond issue it is the most insistent and imperative item to handle.

The audit will show the collections and weed out the bad accounts. The audit will prove the exact cost of lumber on cars, the volume of sales, the actual selling price and the percentage to be written off for bad debts. With this data before him the analyst can figure with a good degree of accuracy how large a loan it is safe to make on the enterprise. The auditor should go back over the books and get the operations for five years and compare each year. If the books are not so old he should go back as

far as possible. The comparative figures for a number of years will show if the business has been progressing or retrograding. The audit should be made by accountants who understand what is wanted for a bond loan investigation.

CHAPTER VII.

EXAMINATION OF PROPERTY.

The timber is estimated either by public cruisers or the private cruisers of the bond buyers or the underwriters. The following description of examining a timber property for the purpose of a bond issue is taken from the booklet issued by Messrs. Clark L. Poole & Company, Chicago. This house has sold around \$40,000,000.00 worth of timber bonds. They have never had a default of interest or principal:

“When a lumber company desires to make a bond issue based on its timber lands and sawmill plant as security, we require of it a general statement showing the valuation of the property, the number of acres of timber land, varieties of timber, the estimated amount of lumber it will produce and other information of a general nature, including the amount and purpose of the bond issue desired. If the security seems ample to make such bond issue safe and investigation into the credit and standing of the company is satisfactory, we agree to accept the bond issue if our own independent preliminary investigation results in bearing out the statement furnished by the company that has made application for the bond issue.

“At this point the real work of making the

bond issue begins. We have in constant employ W. E. Straight, of Chicago, formerly of Michigan, who is a timber cruiser of high reputation, and over 30 years' active experience in estimating all varieties of timber. A timber cruiser's business is to go into the woods and make an estimate of the amount of lumber the trees will cut, which is given to the owner in written reports. As the owner manufactures the trees into lumber, he compares the actual amount of lumber that is manufactured with the estimate of the cruiser. If the reality conforms with the estimate, the cruiser has demonstrated his ability for accuracy, as Mr. Straight has done for many years for several of the largest lumber interests of Michigan and elsewhere.

"Some morning a modest appearing man calls on the lumber company which has negotiated for a bond issue. He asks for the complete plats of the timber holdings. Mr. Straight has begun his investigation, and is preparing to make his preliminary survey. After getting in his mind a picture of the extent of the timber holdings as to acreage and boundaries, he is ready to make a start into the woods. Accompanied by the logging superintendent or someone who is familiar with the holdings, he travels the woods until he has seen every part of them. He goes from one end to the other and criss-cross, his work being what is known as a cruiser's running estimate. He discovers the general run of the poorest and best timber, the

character of the land and its adaptability for agricultural uses after the timber is cut, whether there are many lakes, streams and marshes; whether it is an easy or a difficult lumbering proposition; character of the logging railroads, whether it would be expensive to construct them, or whether it could be done at a comparatively reasonable cost; whether the timber is scattered or is well bunched; whether the streams are practical for floating the logs; whether the mill is so located that it can be supplied with logs at a small cost; as well as many other items of information that are practical in connection with the economical operation of a lumber manufacturing plant.

. "Having finished his examination of the woods, Mr. Straight has still other work to do. He makes a careful examination of the sawmill plant to ascertain its physical condition. It may not be constructed so as to do the amount of work a mill of that class should be expected to do. He also notes whether care is taken to minimize danger from fire by preventing the accumulation of refuse, and whether there are ample precautionary measures in the way of fire protection and preventatives to enable the employes to extinguish a blaze at its beginning. His examination also goes into the care taken of the equipment of the plant, the arrangement with reference to handling the output of the mill with small expense, the location of the plant with reference to reaching the

market, the situation as to probability of a meagre or plentiful car supply, the ability of the management, character of the office force and a survey of the business generally. When Mr. Straight makes his report, if the security looks good and other elements are satisfactory, we enter into an agreement to take the bond issue if detailed estimates, to be made, show that there is sufficient timber to be good security for the loan.

Every timber land bond issue handled by us must conform to the following high standard of security:

1. The Company issuing the bonds must be well established; in high credit, its officers and managers must be thoroughly experienced and in good standing among lumbermen.

2. The lands must be well located; contain timber of good quality; the amount thereof to be in every case determined by capable, well-known timber estimators, employed by us to cruise the timber, which in every case must have a cash market value of at least 50 per cent in excess of the bond issue.

3. The titles to the lands must be carefully examined and approved by our own legal counsel.

4. The mortgage securing the bonds must contain strict provisions which operate to insure the regular deposit of an agreed amount per thousand feet for all timber cut sufficient to retire all of the bonds when about one-half

of the timber is consumed; these deposits to be applied to the payment of the principal of the bonds as the several serials, semi-annually or annually, become due. The mortgage makes provision for keeping careful check upon the cutting of timber and accounting for the same to the mortgage trustee.

Organizing the timber estimating crews is the second stage in the making of a timber land bond issue. It is left to the cruiser in charge and the bond house. Each crew consists of two men, an estimator and a compass man. The number of crews depends on the acreage of the timber holdings and the rapidity with which it is desired to have the estimate completed. In the case of a recent bond issue made by us on Southern timber lands, there were 124,000 acres of pine and cypress timber to be examined in a period of six months. Seven crews were put out into the field, making a total of 14 men employed besides Mr. Straight. These men have estimated timber for the Chicago & Northwestern Railroad Company, the Duluth & South Shore Railroad Company, Longyear Land Company, Marquette, Michigan, Cleveland Cliff Iron Company, Negaunee, Michigan, and many others.

An example of the method of work done in all bond issues handled is the work on a recent bond issue. As the surveys were not in good condition, the lines not being plain, the services of a county surveyor were secured. He

went to the U. S. Government Land Office and obtained the field notes, from which he ran his base lines, consisting of north and south surveys on range lines, and east and west surveys on township lines, establishing from these government field notes all government corners and quarter posts besides establishing all eighth posts. A sworn copy of his survey is on file with us. The bases were run for the purpose of giving the timber cruisers base lines and corners to work from, so they could prove up their work on each and every section or fraction thereof, as will be seen later. All cruising work is done on these lines. Where corners are not perfectly plain, a competent surveyor is always employed to establish such points from government field notes, for although cruisers of ability understand how to find corners, they take no chances, preferring to have them established by competent surveyors, so there will be no question of accuracy. A cruiser will not begin an estimate until the corners are established.

“All corners having been established, Mr. Straight assigned the crews to work. They were started at different points and worked to a common center with the intention to have all the crews meet about the same time. Each crew is furnished with plats of the different portions of the land allotted to it, the descriptions all being checked from the original deeds to the property. Not less than two crews work

together from one camp for the reason that if any difficulties arise in the work of either, they can settle them. The camp equipment is packed in a wagon, teams being kept to move the outfits of the crews. When it is impossible to use teams the men pack the outfit on their backs. A camp will be occupied on an average of about ten days; and the crews will cover from 10 to 18 sections of land from one camp, depending on the character of the country.

“Each crew covers on foot the several portions of the woods assigned to it. The crew starts at some point on the base given by the surveyor and continues to do its work, keeping an accurate check on its base as the work proceeds. The method used is known as ‘horse-shoeing a 40,’ and is the one most commonly used by Mr. Straight, as it enables the cruiser to see every portion of the land. If the start is made at the southeast corner of a section, the cruiser will say to his compassman: ‘Go to tally 1 north.’ When the compassman who runs all the lines has gone north 125 paces, or about 375 feet, he calls out: ‘tally 1 north,’ and stops until he is directed to move. This gives one side of a ten acre tract. The cruiser has begun to work toward the compassman and counts and estimates each and every tree for a distance of 25 paces on each side of his base line, making 50 paces in all. At first he measures the trees with a tape to verify his eye judgment of the circumference and measures

windfalls for length to verify his eye judgment as to the height of trees. If his eye judgment has been at fault, he keeps measuring until his eye judgment becomes accurate, then he trusts solely to his eye. He keeps tally of each tree and at the close of the day figures out his totals by an established mathematical rule.

“Having come near enough to his compassman, he directs him to tally 1 west, and the compassman proceeds to pace 125 paces to the next tally point, and when he arrives makes it known and waits. He has now two sides of the 10 acre tract, and before he leaves, establishes the center.

“The cruiser has thus been estimating the trees 25 paces on each side of the boundary to two ten-acre tracts, a ten-acre tract being about the dimensions of a city square. The other boundary is only about 300 feet away, so he can easily see whether there is any change in the character of the timber. If there is, he makes a closer examination and records it.

“The cruiser and his compassman are never more than 60 to 125 paces apart. They proceed in this way three talleys west and then two north, then three east, which brings them back to the base line, then they go two north, three west, two north, three east, which brings them back to the base line, then one north which ought to bring them to the quarter post at the half section line; if it does not, they find it and correct the estimate. The compassman devotes

his entire time to running tally lines under direction of the cruiser and never leaves a section without checking up with the government quarter posts and section corners to prove whether his pacing work is accurate and correct.

If there should be at any time a difference in an overrun or shortage in coming out to the section lines or corners, the cruiser proceeds to correct up his estimate by taking off or adding such difference, if it can be done; if it cannot, the entire section or description is re-estimated. In no instance does the cruiser ever take chances at guess work. He has positive instructions never to leave a section or description of land until he is fully satisfied that his estimates are accurate and correct.

“The estimator is given no instructions regarding the amount of land he is to estimate each day; that is left entirely to his judgment as he finds the situation. When the estimator has finished his work on a section of land by using the method of horse-shoeing as explained, supplemented with stripping, which is actually taking the dimensions as nearly as possible by the eye, the estimator has an accurate tally of each tree on eight acres of each 40 acres with its length and other dimensions. In his hand he has held a card on which he has kept a tally. He also carries a field book in which he notes the topography of the land, the location of marshes, lakes, streams, wagon roads, logging railroads and everything that comes within his

observation, together with notations as to the surface of the ground, general logging chance, character of soil, etc. At night he makes out from his field book an accurate plat, or timber estimate and field report sheet, one for each section of land estimated.

“One of these plats shows a square mile of the timber owned by a large Southern Lumber Co., which is estimated to cut 4,765,000 feet of lumber from logs 15 inches in diameter and upwards, and 1,033,000 feet from logs 8 inches to 15 inches in diameter, also 46,000 feet of dead timber, all of yellow pine; 38,000 feet of cypress lumber, 30 cypress poles, 385 ties, 2,000 feet of gum, 14,000 feet of palmetto and 3,000 feet of swamp oak. The estimator in his report says: ‘Pine large and of good quality, not boxed; some sapling pine; surface slightly rolling with a considerable slope to the south; soil light, sandy loam, good farming land; pine 573 acres, waste 67 acres, total 640 acres.’ The estimator signs each plat, which is given to Mr. Straight, who sends it to us by registered mail or express, first making a copy which he delivers to the party making the bond issue. These plats are useful after the bond issue has been made.

“In the meantime, Mr. Straight is not idle. He carries his bedding, his baggage, and feed for his horse, ready to camp and sleep where night overtakes him, if he does not strike the camp of one of his crews. He is accompanied by a compassman and ‘horse-shoes’ and ‘strips,’

checking up the work of his crews on foot, using the same methods they have used. If there are any differences, the work is gone over and corrections made. Mr. Straight is in the woods all the time, going from camp to camp, and his men never know when to expect his coming. When the work of estimating all the timber has been completed, a valuation is placed upon the holdings, sawmill, railroad, equipment and other property to be pledged for the bonded indebtedness, which completes the preliminary stage of making the bond issue.

“Thus far all the work that has been done was for the purpose of determining whether there was property which would be security, its value and its location. These elements having been positively demonstrated, the next step is to discover whether the party desiring the bond issue has a good title to the property, and has the right and power to pledge it as security and that there are no liens upon it. This is the work of the lawyer, who must be one of high standing, familiar with bond issues and whose opinion is accepted without question in financial circles. After he is satisfied that the company owns the title to all the lands in fee simple and the details of its incorporation have fulfilled all the requirements of the law and that it has the legal right to own the property and to pledge it as security, the lawyer is ready to draw the trust deed and mortgage which conveys the timber holdings to a trustee as a pledge for the

bonds. The trustee must be a trust company of large capital and resources, whose officers are recognized as competent and trustworthy, for the trustee has important duties to perform which extend over a term of years until all of the bonds have been paid and the terms of the trust deed fulfilled, when the trust company's duty is to make a reconveyance of the property to the owner.

“Every possible safeguard that can be thought of by astute lawyers is thrown about these timber bond issues. There are 20 provisions in the form of trust deed, each one of which requires some duty of the maker of the bond issue. Some of them are: punctual payment of principal and interest when due; conditions under which lumber shall be manufactured, including sinking fund provision for payment of certain amount per 1,000 feet of timber cut, to the trustee; fire insurance on all buildings and machinery; payment of taxes and liens; issuing and delivery of bonds; registration of bonds in name of owner, if desired; statements in writing of condition of property to be furnished and provisions giving the trustee access to books and vouchers for the purpose of verifying statements; and penalties for default in agreements.

“Timber land bond issues are so made that the bonds mature serially, a certain portion coming due each six months. The payment of these bonds when they become due is further

assured by the creation of a sinking fund, the maker of the bond issue being required to deposit with the trustee a certain amount of money before the trees are cut down for each 1,000 feet of timber to be cut. Accompanying the payments to the sinking fund is a sworn statement showing by the same descriptions used in the trust deed and the timber estimators' plats, the lands from which the timber is to be cut, and further certifying under oath that no timber has been cut on the lands mortgaged without proper payment having been made to the sinking fund. The maker of the bonds further agrees to give free access to all the property, books of account and vouchers for the purpose of checking the correctness of any such statements. As these statements are under oath, if they are false, the maker will make himself liable to criminal prosecution.

“Through the operation of the sinking fund in the timber bond issues the equity grows larger from year to year as the bonds are paid off, without taking into consideration the annual increase in the value of the standing timber. In the case of one large southern lumber company the bond issue was made on the basis of \$2 per thousand feet stumpage. Under the terms of the trust deed this company was required to pay into a sinking fund \$3.50 per thousand feet for timber cut. Through the operation of the sinking fund in that issue the debt decreases from year to year until the last

series of bonds are secured at the rate of $16\frac{3}{4}$ cents per thousand feet stumpage.

“In another issue the debt per thousand feet stumpage was originally \$1.81. This decreases from year to year until the debt per thousand feet, when the last series of bonds are outstanding, is 21 cents. This company pays into the sinking fund \$4 per thousand feet for timber cut.

“It is in checking up the sinking fund that the value of the timber cruisers’ plat is again shown. Although there is no legal obligation on our part to check up sinking fund payments, we make a business of doing it, not only for our own satisfaction to know that the provisions of the trust deed are being fulfilled in every particular, but as an additional protection to the interests of customers who have bought the bonds on our recommendations. The services of Mr. Straight are secured. He is given the plats and the statements, and cruises the timber holdings again in the same careful and painstaking manner as before. He reports on his estimates of the amount of timber that has been manufactured from the various sections and shows the difference between the original estimate and the actual manufacture into lumber, if any. He also investigates all of the other timber land properties that are security for the bonds, reporting on whether there has been any cutting of timber of which no report has been made. Thus it will be seen that there is con-

stant checking and rechecking for the protection of the clients of Clark L. Poole & Company.”

The foregoing is an excellent description. There are several rules used by timber cruisers for estimating the amount of lumber in a tree. The unit; the ‘board foot,’ is one square foot one inch thick. The Doyle rule, which is very generally used, figures as follows: Deduct four inches from the diameter of the log as allowance for slab, square one-fourth of the remainder and multiply by the length of the log in feet. The result is the board contents. There is also the Ropp rule, the Spaulding rule, the Doyle and Scribner rule, the Scribner rule and the British Columbia rule. In addition there are modifications and combinations of these rules. They all depend entirely on the cruiser using them and the nature of the timber. The estimates should be carefully verified before making the loan.

CHAPTER VIII.

CONTRACT TO DELIVER BONDS.

To purchase an issue each bond house and banker uses a private form of contract or agreement. These forms range from a verbal understanding to the most elaborate written instrument. The nature of the document depends to some extent on the particular transaction. The two forms given below contain all the basic clauses and can be modified to suit any specific case. These forms are each standard with two large bond houses. Form number one is a splendid contract in the nature of a letter written by the bond house and accepted by the timberman. Form number two, while simpler than number one, is an excellent document in the shape of a letter written by the timberman to the bond house. Form number two is not as favorable to the timberman as form number one, because the bond house does not accept it and can decline the bonds at pleasure:

FORM NO. 1.

Gentlemen:—

From your representations we understand as follows:—

(1) That you own in fee simple approximately acres of timber lands in, being in Townships, Range

(2) That upon said acres there is at the present time approximately feet of standing and living timber, consisting of approximately

(Here insert quantity of each kind.)

(3) That you also own free of encumbrance plant and

equipment located in Section, Township, Range, and logging outfit including

(Here insert descriptions of logging equipment.)

That said plant is capable of cutting feet of lumber, board measure, per day of 10-hour run, and that the plant, planing mill and timber lands above mentioned have a value in excess of dollars.

(4) That you desire to proceed forthwith to make an issue of Bonds, secured by mortgage which shall be a first lien on all the property heretofore mentioned, said bond issue to be on basis of not exceeding per thousand on the timber as shall be determined in the manner hereinafter stated and not to exceed in any event the sum of dollars.

That the Trustee under said mortgage shall consist of one trustee, an individual or trust company, or two trustees, both an individual and trust company as may be chosen and approved by us.

(5) That said bonds are to be dated and bear interest at the rate of 6% per annum, payable, and semi-annually thereafter, both principal and interest of said bonds to be payable in Gold Coin in at the office of the Trustee or such other office as may prefer (to be definitely designated in the Mortgage and Bond) and that the said bonds shall be in the denominations of \$1,000 and \$500 and become due serially as follows:

(Here insert serial dates.)

(6) That all said bonds shall be redeemable before maturity on any interest payment date upon ninety days' notice at a premium of 3%.

(7) That the payment of each and all of said bonds—both principal and interest—shall be guaranteed by in such legal form as shall be satisfactory to our attorney.

(8) That you will furnish detailed estimates made by a competent timber cruiser, to be approved by us, showing the amount of merchantable timber upon the tract of land above referred to.

(9) That you will furnish at your expense an audit of your books and accounts made by an auditor selected by us and satisfactory to us.

(10) That you will furnish satisfactory abstracts of title to all the above mentioned land and an opinion upon the title from some competent attorney-at-law, to be approved by us, to the effect that the said titles are clear and unencumbered and that the mortgage above referred to furnishes a first lien for the bonds therein described.

That you will also pay for the preparation by such at-

torney of the bonds and the mortgage and for all other legal services in connection therewith.

(11) That the Mortgage or Trust Deed shall be in form approved by our counsel and that among other things the Mortgage shall provide that the Mortgagor may secure the release of the timber under the mortgage upon the payment to the Trustee for the benefit of the bondholders the sum of per thousand feet stumpage on the estimates as made by as above provided herein.

That the Mortgagor may secure the release of the cut-over lands from the lien of the Mortgage provided such lands are sold for cash and the cash is paid over to the Trustee for the benefit of the bondholders and that such sale has the written approval of

That in case the timber on the land above described or any portion thereof shall be damaged by fire or other elements, the Mortgagor shall within sixty days after the extent of such loss shall be determined pay to the Trustee for the benefit of the bondholders the sum of per thousand feet stumpage on the estimates furnished by as above provided herein; the salvage of such timber to remain subject to the lien of the Mortgage and when removed, if removed, in accordance with the above provisions, the Mortgagor to pay to the Trustee for the benefit of the bondholders an additional per thousand feet stumpage.

That in case of default in the payment of either principal or interest, the Trustee may and upon demand of the holders of 10% of the bonds then outstanding shall declare all the bonds then outstanding due and payable, and the Trustee shall have the same right and duty should there be any failure upon the part of the Mortgagor to make the payment provided for in case of damage or destruction to the timber by fire or other elements;

That you will furnish us with semi-annual statement of the financial condition of, together with annual audit of your books and accounts made by auditors approved by us and also with such other information bearing upon the security of the bonds as we may desire at such times as we may deem it necessary, all of such examinations and audits to be made at your expense, and that for the purpose of gathering and verifying such information you will give us free access to the books of record and account of the.....

(12) That in addition to the payment of the cruising and legal expenses previously mentioned herein, you agree to pay the cost of engraving the bonds, printing of the mort-

gage and releasing list, trustees' fees, recording fees and other incidental expenses.

(13) That so soon as the said bonds are properly executed and ready for delivery, they shall be placed in the hands of the Bank, with instructions to deliver said bonds to us upon the payment of ..% of the par value of the principal thereof plus accrued interest.

(14) Subject to all the above agrees;

(a) That if upon investigation they are satisfied of the correctness of the above representations with reference to the amount and value of the properties mentioned and the title thereto;

(b) That the Mortgagor and Guarantor are in satisfactory financial condition;

(c) That the Bonds of the character and with the security above proposed are in their opinion marketable;

(d) That the investigation of the title and timber and the preparation of the bonds and mortgage have at that time been completed to their satisfaction that they will purchase said Bonds on or so soon thereafter as they may be ready for delivery at ..% of the par value of the principal thereof plus accrued interest;

(15) Should this contract not be carried out on account of failure of title or failure of the timber estimator to find the amount and value of timber satisfactory to or incorrect representations in any of the preceding portion hereof, you are to reimburse us (and by accepting this contract you so agree) for all expenses of every kind incurred by us in this connection up to that time.

This proposition is subject to prompt acceptance and if accepted it will constitute a contract between us.

Yours truly,

.....
.....

Accepted:

.....

FORM NO. 2.

Gentlemen:—

We agree to sell you an issue of First Mortgage Bonds in the amount of dollars secured by a trust deed upon the timber and land now owned or held in the name of, also on the logging equipment, railroads, mills and other properties of the company. Under the Trust Deed there will be about acres of land and timber, containing approximately

feet, these lands and properties being particularly described as follows:

(Here insert legal description.)

That the title to all of the above property is vested in us. That we will proceed forthwith to make an issue of dollars of bonds secured by first mortgage, which shall be a prior lien on all the property heretofore mentioned. Interest on the bonds to be at the face rate of six (6%) per cent per annum, payable semi-annually. The principal of the bonds to be due and payable serially, commencing one year from date of the bonds according to the following schedule:

(Here insert serial dates.)

The bonds shall be dated

The trust deed shall contain a sinking fund provision for the deposit monthly of dollars per thousand feet, board measure, lumber tally, on all timber cut from the lands of the company during the preceding month, and shall also provide that such deposit in the sinking fund shall be made in accordance with a sworn statement of the operations of the company covering the month for which such deposit is made. The depository for the sinking fund moneys shall be selected by you and shall pay over such sinking fund moneys at the direction of the trustee under the trust deed. Such sinking funds shall be used to retire the principal of the bonds as they mature and any surplus remaining in the sinking fund at the end of any six months' period may be used to retire the bonds at par and accrued interest and a premium of five (5) per cent.

The trust deed or mortgage shall contain such other legal provisions as may be required by you to make said bonds marketable and a safe investment.

The right to prepay the bonds at the end of the first year and on any semi-annual interest payment day thereafter by the payment of principal, accrued interest and a premium of (5) per cent, upon sixty (60) days previous written notice, shall be retained.

There shall be furnished to you and the trustee a semi-annual balance sheet and an annual audit of our books and accounts, made by auditors approved by you, and also an audit of our books and accounts by an auditor selected by you, and at any time that you may demand it. All of such audits and balance sheets to be furnished at the expense of the mortgagor.

Cut-over lands, timber land and timber may be sold for cash upon your written approval provided such cash be

paid into the sinking fund, but such payments not to exceed sinking fund stumpage rate.

There shall be furnished to you at the expense of the mortgagor a report and cruise upon the properties involved, to be made by a cruiser satisfactory to you and there shall also be furnished you without expense on your part, an audit of all books and accounts of said companies made by an auditor selected by you.

The expense of all legal work by attorneys selected by you, covering all legal procedure of any nature in connection with the issuance of the bonds, writing the mortgage, examining title, etc., shall be paid by the mortgagor.

The bonds shall be prepared, lithographed, printed and certified at the expense of the mortgagor, and under the supervision of your attorneys and shall be in amounts, form and text satisfactory to you.

The trustee under the trust deed shall be selected by you and the principal and interest may be payable at any place that you may name.

..... is to personally guarantee the payment of each and all of the bonds issued, both the principal and interest, in such form as shall be satisfactory to your attorneys.

That in case of default in the payment of either principal or interest for a period of sixty days, the trustee may and upon demand of the holders of 15% of the bonds then outstanding shall declare all the bonds then outstanding due and payable.

The bonds are to be turned over to you at cents on the dollar for each dollar of said bonds.

Should this contract not be carried out through fault of ours, we will reimburse you for all expenses of every kind incurred by you in connection with this transaction.

Yours very truly,

An analysis of the foregoing forms will give the student a sound understanding of what the bond house demands from the timberman before purchasing his securities. There are dealers who do not make such exacting requests, but such dealers are responsible for practically all the defaults in the timber bonds.

CHAPTER IX.

LEGAL FEATURES.

The attorneys passing on a bond issue and vouching for the perfection of titles and legality of all actions connected with the transaction must be very able, experienced and of the highest standing amongst lawyers. The attorneys must safeguard the affairs of all parties and treat each interest with fairness. They must consider the borrower, the bond dealer, the trustee and the private investor.

The timber holdings usually cover a wide area. They often extend over several counties and sometimes are located in two or more states. The descriptions are complicated, and the work of passing on them heavy and exacting. The original records at the county seats should always be examined. Some bond houses float bonds without investigating further than the abstract furnished them. Abstractors are human and in isolated districts are sometimes careless. It is safe to take the abstracts of well known abstract companies, but even then it is bad practice. The present owner of the timber usually accepts the abstracts furnished him by the seller. He does not know how the original records read and cannot be blamed later on if titles are questioned or clouded. It costs more money and is harder work to go over and com-

pare the original records, but it is well worth the difference in price. The titles are made perfect, the value of the security increased, the bonds become a more desirable investment and their price is accordingly enhanced.

The attorneys must examine the resolutions of stockholders and directors authorizing the bond issue. They must make sure the meetings were properly called, the necessary amount of shares voting and the bonds legally authorized according to the constitution and by-laws of the company and any laws of the state or nation that might affect them. Some bond houses insist on an unanimous vote of all the stock in favor of the bond issue before they will buy the bonds. This is good practice no matter what the state laws may call for. It prevents any possible trouble with minority interests and creates a favorable impression all around.

The attorney usually makes the arrangements with the trustee for the various services to be performed in that function. The attorney drafts the text of the bond and attends to all the other legal matters. A recent timber bond issue failed to be accepted at the last moment when it was discovered there were defects in the legal procedure when the company was incorporated several years before. They were purely technical faults due to a slipshod attorney, but they killed the bonds. Each individual bond issue will have its particular legal aspects. In general, however, the attorneys must see

that the company issuing the bonds has perfect title to the property to be mortgaged under the trust deed; that there are no liens against the property; that the company has been legally and properly incorporated; that the company has the right to mortgage the property; that the meeting of the stockholders at which the resolution to bond the property was passed was legally and regularly called; that the necessary number of votes were cast in favor of the bond issue; that the mortgage is properly drawn, the trustee duly qualified and the bond properly lithographed. The most vital work of the attorney is making the mortgage or trust deed.

CHAPTER X.

THE TRUST DEED.

Drawing the mortgage or trust deed is a very important part of a bond issue. The mortgage outlines the duties of all concerned, describes the security and safeguards the bondholders. The mortgage should be drawn by a man who is a good lawyer, an eminent title attorney and who thoroughly understands timber lands, lumber operations and making bond issues. The three following mortgages consist of two ordinary trust deeds and one in which two companies combine as mortgagors. These documents show affairs as handled in the South and Pacific Northwest. The titles covered by them were all examined on the original records, and therefore, they are correct and the descriptions accurate. The mortgages are given in full detail to facilitate their use as a guide and reference or a check on other trust deeds.

To prove the soundness of the practice of going to the original records on matters of title, it is only necessary to say that all the bonds covered by these mortgages are now worth a premium. These trust deeds were drawn by Mr. Edward E. Barthell, Nashville, Tennessee, who is probably the ablest title attorney in the United States and one of the best bond lawyers in active practice:

FIRST MORTGAGE

LINN AND LANE TIMBER COMPANY
AND
C. A. SMITH LUMBER AND MANUFACTURING
COMPANY
TO
UNION TRUST COMPANY
AND
FREDERICK H. RAWSON
TRUSTEES

DATED JUNE 6, 1910

TO SECURE 6% GOLD BONDS OF LINN AND LANE
TIMBER COMPANY IN THE AMOUNT
OF \$1,500,000. DATED JUNE 6, 1910

THIS INSTRUMENT, made and entered into June 6, 1910, by and between *Linn and Lane Timber Company*, a corporation organized and existing under and by virtue of the laws of the State of Minnesota (sometimes hereinafter for brevity called the Company), party of the first part; C. A. Smith Lumber and Manufacturing Company, also a corporation organized and existing under and by virtue of the laws of the State of Minnesota, party of the second part (sometimes hereinafter referred to as the Lumber and Manufacturing Company, and said two parties being hereinafter sometimes referred to as the Grantors), both of which corporations have qualified themselves to own property and to do business in the State of Oregon; and Union Trust Company, a corporation organized and existing under and by virtue of the laws of the State of Illinois (and which is sometimes hereinafter referred to as the Corporation Trustee), and Frederick H. Rawson, of Chicago, Illinois, as trustees, parties of the third part,

WITNESSETH THAT:

WHEREAS, LINN AND LANE TIMBER COMPANY is the owner of certain lands, timber, timber rights, rights of way, and logging rights, in the Counties of Coos, Curry, Douglas, Lane, Lincoln and Linn, in the State of Oregon; and has full power and authority under its charter and

the laws of the States of Minnesota and Oregon, to borrow money for the transaction of its business and the exercise of its corporate powers, to issue its negotiable bonds to evidence the indebtedness thus incurred, and to mortgage its property to secure the payment of the same; and

WHEREAS, by unanimous action of its Board of Directors, concurred in by the owners and holders of its entire capital stock (both of which actions have been duly expressed according to law) the Company has resolved to borrow money for its corporate purposes, and to issue and dispose of its negotiable mortgage bonds therefor, and to secure the payment of said bonds, together with the interest thereon, by a mortgage or deed of trust in the form of this instrument, upon its property hereinafter described, together with the rents, issues and profits of the same, and which mortgage or deed of trust shall be a first lien thereon; and

WHEREAS, by unanimous action of its Board of Directors, concurred in by the owners and holders of its entire capital stock (both of which actions have been duly expressed according to law) the Company has further resolved that said bonds shall bear date of June 6, 1910, shall be for the aggregate amount of One Million, Five Hundred Thousand (1,500,000) Dollars, shall be numbered consecutively from 1 to 1,575, both numbers inclusive, bonds numbered 1 to 1,425, both numbers inclusive, being for the

principal sum of One Thousand (1,000) Dollars each, and bonds numbered 1,426 to 1,575 both numbers inclusive, being for the principal sum of Five Hundred (500) Dollars each, and which bonds shall become due and payable as follows, to-wit:

Bonds numbered 1 to 25 inclusive on December 1, 1911;
 Bonds numbered 26 to 50 inclusive on June 1, 1912;
 Bonds numbered 51 to 75 inclusive on December 1, 1912;
 Bonds numbered 76 to 100 inclusive on June 1, 1913;
 Bonds numbered 101 to 125 inclusive on December 1, 1913;
 Bonds numbered 126 to 150 inclusive on June 1, 1914;
 Bonds numbered 151 to 200 inclusive on December 1, 1914;
 Bonds numbered 201 to 250 inclusive on June 1, 1915;
 Bonds numbered 251 to 300 inclusive on December 1, 1915;
 Bonds numbered 301 to 350 inclusive on June 1, 1916;
 Bonds numbered 351 to 400 inclusive on December 1, 1916;
 Bonds numbered 401 to 450 inclusive on June 1, 1917;
 Bonds numbered 451 to 500 inclusive on December 1, 1917;
 Bonds numbered 501 to 550 inclusive on June 1, 1918;
 Bonds numbered 551 to 600 inclusive on December 1, 1918;
 Bonds numbered 601 to 650 inclusive on June 1, 1919;
 Bonds numbered 651 to 700 inclusive on December 1, 1919;
 Bonds numbered 701 to 750 inclusive on June 1, 1920;
 Bonds numbered 751 to 800 inclusive on December 1, 1920;
 Bonds numbered 801 to 850 inclusive on June 1, 1921;
 Bonds numbered 851 to 900 inclusive on December 1, 1921;
 Bonds numbered 901 to 950 inclusive on June 1, 1922;
 Bonds numbered 951 to 1000 inclusive on December 1, 1922;
 Bonds numbered 1001 to 1050 inclusive on June 1, 1923;
 Bonds numbered 1051 to 1100 inclusive on December 1, 1923;
 Bonds numbered 1101 to 1150 inclusive on June 1, 1924;
 Bonds numbered 1151 to 1200 inclusive on December 1, 1924;
 Bonds numbered 1201 to 1250 inclusive on June 1, 1925;
 Bonds numbered 1251 to 1300 inclusive on December 1, 1925;
 Bonds numbered 1301 to 1350 inclusive on June 1, 1926;
 Bonds numbered 1351 to 1425 inclusive on December 1, 1926;
 Bonds numbered 1426 to 1575 inclusive on June 1, 1927;

all payable to bearer (unless registered) in gold coin of the United States of America of the standard of weight and fineness existing on June 6, 1910, notwithstanding any law which

may now or hereafter make anything else a tender in payment for debts, at the office of Union Trust Company, in the City of Chicago and State of Illinois, together with interest on said bonds at the rate of six (6) per centum per annum, which interest shall be similarly payable in like gold coin, December 1, 1910, and semi-annually thereafter on the first day of June and the first day of December in each year until the principal sum shall be fully paid, upon the presentation and surrender of the coupons annexed to each of said bonds as they respectively become due, at the office of said Trust Company; that the said bonds shall be executed in the name of the Company by the President (or the Vice-President) and the Secretary of the Company, with its corporate seal affixed, and that all the interest coupons, issued to evidence the interest upon said bonds until their maturity shall be authenticated by the fac-simile signature of the Treasurer of the Company; and that each of said bonds and each of the coupons thereto attached, and the Trustee's and Registrar's certificates endorsed thereon, shall be substantially in the forms following, to-wit:

UNITED STATES OF AMERICA.

STATE OF OREGON.

\$....

Number.....

\$....

LINN AND LANE TIMBER COMPANY

First Mortgage Six per Cent Gold Bond.

For value received Linn and Lane Timber Company (hereinafter called the Company), a corporation under the laws of the State of Minnesota, and duly qualified to do

business in the State of Oregon, hereby promises to pay to the bearer hereof, or in case this bond be registered, then to the registered holder hereof, Dollars, on the first day of 19...., and to pay interest thereon from the date hereof at the rate of six (6) per cent per annum payable semi-annually on the first day of December and the first day of June in each year, upon the presentation and surrender of the coupons hereto annexed as they severally become due, both principal and interest being payable at the banking house of Union Trust Company, in the City of Chicago, and State of Illinois, in gold coin of the United States of America, of or equal to the present standard of weight and fineness, notwithstanding any law which may now or hereafter make anything else legal tender for the payment of debts, without deduction for any United States, State, County, Municipal or other tax or taxes or governmental or other charges, which the Company or its successors or assigns, or the Trustees or either of them, hereinafter mentioned may be required, or permitted, to pay, or to deduct or retain therefrom under or by reason of any present or future law.

This bond is one of a series of 1575 bonds in denominations of \$1,000 and \$500 maturing at divers dates during the period from December 1, 1911, to June 1, 1927, both dates inclusive, amounting in the aggregate as to the principal thereof to \$1,500,000 issued under the provisions and equally secured by a first mortgage or deed of trust dated June 6, 1910, duly executed, acknowledged, recorded and delivered by the Company to Union Trust Company and Frederick H. Rawson of Chicago, Illinois, as Trustees. The said mortgage or deed of trust is joined in by C. A. Smith Lumber and Manufacturing Company, a corporation under the laws of the State of Minnesota and duly qualified to do business in the State of Oregon, conveying certain of its property therein described. The said mortgage or deed of trust embraces timber, timber lands, logging rights, a saw-mill plant, and other similar property in the Counties of Coos, Curry, Douglas, Lane, Lincoln and Linn, all in the State of Oregon. For a more complete description of the property thereby mortgaged; the nature and extent of the security; the description of the bonds thereby secured and the rights of the holders thereof under the same and the terms and conditions upon which said bonds are issued, reference is hereby made to said mortgage or deed of trust with the same force and effect as if the provisions thereof were herein fully set forth.

In case an event of default as defined in the aforesaid mortgage or deed of trust shall occur, then the principal

of this bond may be declared and become due and payable in the manner and with the effect therein provided.

This bond is purely a corporate obligation, and no recourse shall be had for its payment against any stockholder, director or officer of the maker hereof, unless it be upon his individual indorsement or guarantee.

In the manner provided in said mortgage or deed of trust, this bond may be redeemed at the election of the Company, at any interest payment date before its date of absolute maturity upon payment to the holder hereof, or to Union Trust Company, one of the Trustees hereunder, for the benefit of such holder, of the principal hereof and all interest due thereon at the date fixed for such redemption, and a premium of two and one-half (2½) per centum on the principal hereof.

This bond shall pass by delivery unless registered, but it may be registered as to the principal hereof in the holder's name on books of Union Trust Company, Trustee, kept for that purpose, such registry being noted hereon by said Trustee, after which only such registered holder shall be entitled to receive the principal hereof; and if registered no subsequent transfer hereof shall be valid, unless made on said Trustee's books and similarly noted hereon; but the same may be discharged from registry by transfer to bearer, after which it shall be transferable by delivery. It may be registered again, however, in the manner above provided. The registry of this bond shall not impair the negotiability of the coupons, but they shall continue to be transferable by delivery notwithstanding such registration.

The Company hereby consents in case of the foreclosure of the mortgage or deed of trust given to secure the payment of the said bonds, to the entry of a deficiency judgment against it, and that the court may direct in any decree of foreclosure of said mortgage or deed of trust that any balance due with costs and interest, which may remain unsatisfied after the sale of the said mortgaged premises and the application of the proceeds of such sale toward the payment of the said bonds, shall be satisfied from any of its property.

This bond shall not be obligatory for any purpose until it shall have been authenticated by the certificate of Union Trust Company, one of the Trustees under said mortgage or deed of trust, indorsed hereon.

IN WITNESS WHEREOF, Linn and Lane Timber Company has caused this instrument to be signed in its corporate name by its President and its corporate seal to be hereto affixed and attested by its Secretary, and the in-

terest coupons hereto attached to be authenticated by the fac-simile signature of its Treasurer, this sixth day of June, 1910.

LINN AND LANE TIMBER COMPANY.

By.....
Its President.

Attest:

.....
Its Secretary.

On the first day of 19...., Linn and Lane Timber Company, a Minnesota corporation will pay to bearer Dollars in gold coin of the United States of America of the standard existing on June 6, 1910, at the office of UNION TRUST COMPANY in the city of Chicago, State of Illinois, without deduction for taxes, being six months' interest due that date on its first mortgage gold bond of June sixth, 1910, No.

.....
Treasurer.

\$..... \$.....
 This is to certify that this is one of the bonds described in and secured by the mortgage or deed of trust within referred to.

UNION TRUST COMPANY, Trustee,

By.....

NOTICE: There must be no writing in this form except by the Trustee, the Union Trust Company.

.....

AND WHEREAS, C. A. Smith Lumber and Manufacturing Company is the owner of a mill plant, appurtenances and equipment, in Coos County, Oregon, and has full authority under its charter and the laws of the States of Minnesota and Oregon to mortgage the same in the furtherance of its business; and

WHEREAS, the parties of the first and second parts are jointly interested in the carrying out of the corporate purposes of Linn and Lane Timber Company on account of which Linn and Lane Timber Company desires the funds to be obtained by it by the execution, issue and negotiation of the bonds above described, and the C. A. Smith Lumber and Manufacturing Company is pecuniarily interested in the sale of said bonds, and in the application of the proceeds thereof to the aforesaid corporate purposes of Linn and Lane Timber Company; and

WHEREAS, both the Board of Directors and the owners of the entire capital stock of the said C. A. Smith Lumber and Manufacturing Company by appropriate action regularly taken and legally expressed, have unanimously resolved that said Lumber and Manufacturing Company join in this mortgage and include herein its said mill plant and equipment, and the land upon which it is located, all as hereinafter described; and

WHEREAS, all things necessary to make said bonds when executed by the Company and certified by the Corporation Trustee, a valid, binding, legal, negotiable obligation of the Company, and this instrument a valid mortgage to secure the payment thereof, have been done, happened and been performed:

NOW THEREFORE, for and in consideration of One Dollar (\$1.00) in hand paid by the parties of the third part to the parties of the first and

second parts, respectively, the receipt whereof is hereby acknowledged, and the other considerations herein expressed, and in order to secure the payment of the principal and interest of all of said bonds above described at any time outstanding according to their tenor and effect, and to secure the performance of all the covenants and conditions herein contained and to declare the terms and conditions upon which said bonds are issued or to be issued, and for and in consideration of the acceptance or purchase of said bonds, or any of them, by whomsoever may be or become the holders thereof, the said LINN AND LANE TIMBER COMPANY and the said C. A. SMITH LUMBER AND MANUFACTURING COMPANY has each for itself executed and delivered these presents, and each for itself hereby grants, sells, bargains, aliens, releases, conveys, assigns, warrants, transfers and mortgages unto said UNION TRUST COMPANY and said FREDERICK H. RAWSON, TRUSTEES, their successors and assigns, with full subrogation to any and all warranties or rights in action against previous vendors or holders or other persons the following described timber, timber rights, rights of way, logging rights, logging and milling plants and appurtenances, machinery, tracts or parcels of land and other property lying, being and situate in Coos, Curry, Douglas, Lane, Lincoln and Linn Counties, State of Oregon, each grantor granting, selling, bargaining, aliening, releasing, trans-

ferring, conveying, assigning, warranting and mortgaging its own property and not the property of the other, that is to say;

1. Said C. A. Smith Lumber and Manufacturing Company hereby grants, sells, bargains, aliens, releases, conveys, transfers, assigns, warrants and mortgages

MILL SITE AND PLANT.

Lots three (3) and four (4) and the tide lands in front of and abutting upon lots two (2) and three (3) and four (4) in Section thirty-six (36) of Township twenty-five (25) South of Range thirteen (13) West of the Willamette Meridian;

Also the lumber mill plant and equipment of said C. A. Smith Lumber and Manufacturing Company (generally known as the Dean Mill) including all saw-mills, planing mills, dry kilns, dry sheds, boilers, engines, railroad track, cars and locomotives, electric light plant, power houses, machine shops, water works and all other buildings of every kind, and all machinery and equipment in any wise used in connection with said lumber mill plant on said lots three (3) and four (4) or on said tide lands in front of and abutting upon said lots two (2), three (3) and four (4) in said Section thirty-six (36), Township twenty-five (25) South of Range thirteen (13) West of the Willamette Meridian, or operated in connection therewith—all of said property above conveyed lying, being and situate in Coos County, Oregon,—together with

all betterments, additions and improvements of every nature and description hereafter placed upon said premises, and used or intended to be used in connection with the business now carried on upon said premises; but

Excepting, however, from this conveyance the coal and mineral rights in said lot three (3) in said Section thirty-six (36) as the same were reserved in the deed from John Norman and wife to E. B. Dean and Company, dated October 18, 1884, and recorded at page 441 in Deed Book 13 in the office of the County Clerk in Coos County, Oregon;

2. Said LINN AND LANE TIMBER COMPANY hereby grants, bargains, sells, aliens, releases, transfers, assigns, conveys, warrants and mortgages unto said Trustees, their successors and assigns, with full subrogation to any and all warranties or rights in action against previous vendors or holders, or other persons:

FIRST. The following timber, timber rights, rights of way, logging rights, privileges, and other rights, in Coos County, Oregon, to wit:

(a) All the merchantable timber lying, standing or being upon the following described lands:

The northeast quarter of the northeast quarter or lot one (1) and southeast quarter of northeast quarter, and the north half of the southeast quarter, of Section eleven (11) in Township twenty-nine (29) South of Range eleven (11) West of the Willamette

Meridian,—together with the right to enter upon said land and cut and remove the said timber therefrom at any time within ten (10) years from November 1, 1906,—also hereby granting the right to cut such other timber and make such other alterations in or on said land as may be required in the cutting and removal of said timber; and all timber remaining on said land at the expiration of said term of ten years shall revert to and become the property of the persons of whom it was acquired by the grantor herein;

(b) Also all the timber standing or being on the south half of the northwest quarter, and the northwest quarter of the southwest quarter of Section twenty-three (23) in Township twenty-nine (29) South of Range twelve (12) West of the Willamette Meridian,—together with all rights of way and privileges necessary in the removal of said timber, also the right to enter upon said land and to cut and remove the said timber therefrom at any time within ten (10) years from August 20, 1906; and time being of the essence of the contract it is understood and agreed that all timber standing, lying or being upon said lands after the expiration of said ten years from August 20, 1906, shall revert to and become the property of the persons from whom the grantor herein acquired the same;

(c) Also all the timber lying, standing or

being on the southeast quarter of the northeast quarter and the northeast quarter of the southeast quarter of Section thirty-four (34) in Township twenty-nine (29) South of Range twelve (12) West of the Willamette Meridian,—together with the right to enter upon said land and to cut and remove the timber therefrom at any time within ten (10) years from August 23, 1906; all timber remaining on said land after the expiration of said ten year period to revert to and become the property of the persons from whom the grantor herein acquired the same.

(d) Also all the merchantable timber standing, lying or being on

Lot three (3), the southwest quarter of the northeast quarter, the southeast quarter of the northwest quarter, the north half of the southeast quarter, and the southwest quarter of the southeast quarter, of Section Two (2), in Township twenty-nine (29) South of Range thirteen (13) West of the Willamette Meridian,—together with the right to enter, cut and remove the same at any time within fifteen (15) years from March 6, 1907, and together with all necessary and desirable rights of way for the removal of said timber, including rights of way across lot two (2) of said Section two (2); and time being of the essence of this agreement all timber remaining on the said lands at the expiration of said fifteen year period, shall revert to and be-

come the property of the persons from whom the grantor herein acquired the same;

(e) Also all the timber growing, standing or down, on

The southeast quarter of the southeast quarter of Section seventeen (17); the east half of the northeast quarter, the east half of the southeast quarter, and the southwest quarter of the southeast quarter of Section twenty (20); and on the west half of the west half of the northwest quarter, the west half of the northwest quarter of the southwest quarter, and the south half of the southwest quarter of Section twenty-one (21), in Township twenty-nine (29) South of Range fourteen (14) West of the Willamette Meridian; together with the right to enter upon said land and cut and remove the said timber at any time within twenty (20) years from January 11, 1901; all timber remaining on said land after the expiration of the said period, to revert to and become the property of the persons from whom the grantor herein acquired the same;

(f) Also all of the timber lying, standing, growing, or being upon the

South half of the north half of Section fourteen (14) in Township thirty (30) South of Range ten (10) West of the Willamette Meridian, with the right of way for roads, railroads, side tracks, skidding roads, and skid ways, said cutting and carrying away

to be accomplished within sixteen (16) years from September 20, 1901;

(g) Also all the timber lying, standing or being on

The northwest quarter of the northwest quarter, and the south half of the northwest quarter of Section two (2) in Township thirty (30) South of Range eleven (11) West of Willamette Meridian,—together with the right to enter upon said land and cut and remove the timber therefrom at any time within fifteen (15) years from November 6, 1906; and together with the right to cut such other timber and make such other alterations on said land as may be required in the cutting and removal of said timber.

All of the property in this clause described lying, being and situate in Coos County, State of Oregon.

SECOND. The following timber, timber rights, rights of way, logging rights, privileges, and other rights in Curry County, Oregon, to wit:

(a) All the cedar, fir and oak timber on

The southwest quarter, of the southwest quarter of Section twenty-five (25); the south half of the southeast quarter of Section twenty-six (26), and on the northeast quarter of the northeast quarter of Section thirty-five (35) in Township thirty-two (32) South of Range fifteen (15) West of the Willamette Meridian, together with the right to enter, cut and remove said timber at any time within

ten (10) years from October 4, 1907, and with the right to extend this period for removal to twenty-five (25) years from October 4, 1907, upon paying \$25.00 per year for such extension;

(b) Also all the green white cedar and green fir timber on

The northwest quarter of the northeast quarter of Section thirty-five (35) in Township thirty-two (32) South of Range Fifteen (15) West of the Willamette Meridian, together with the right to enter, cut and remove the said timber at any time within twenty (20) years from October 4, 1907;

(c) Also all the white cedar and all the fir on

The south half of the northeast quarter, and the southeast quarter of the northwest quarter of Section thirty-five (35) in Township thirty-two (32) South of Range fifteen (15) West of the Willamette Meridian,—together with the right to enter, cut and remove the said timber at any time within twenty (20) years from October 4, 1907;

(d) Also all the timber, lying, standing, or being on

The northeast quarter of the southwest quarter, the north half of the southeast quarter, and the southeast quarter of the southeast quarter of Section thirty-five (35) in Township thirty-two (32) South of Range fifteen (15) West of the Willamette Meridian,

together with the right to enter, cut and remove the same at any time within twenty (20) years from October 4, 1907.

All of said property in this clause described lying, being and situate in Curry County, State of Oregon.

THIRD. The following timber, timber rights, rights of way, logging rights, privileges, and other rights in Douglas County, Oregon, to wit:

(a) All the timber lying, standing or being on

The southwest quarter of the southwest quarter of Section nine (9); the south half of the northwest quarter of Section fifteen (15); the northwest quarter of the northwest quarter, the east half of the northeast quarter, the northwest quarter of the northeast quarter, and the northeast quarter of the northwest quarter of Section sixteen (16); the east half of the northeast quarter and the northeast quarter of the southeast quarter of Section thirty-three (33), and the northwest quarter of the southwest quarter of Section thirty-four (34) in Township twenty (20) South of Range eleven (11) West of the Willamette Meridian,—together with the right to enter, cut and remove the same at any time within thirty (30) years from April 23, 1907, together with the exclusive use of said premises for logging purposes for the said period of thirty years;

(b) Also all the timber lying, standing or being on

The southwest quarter of the southwest quarter of the southeast quarter of Section Fifteen (15); the south half of the southwest quarter, the northeast quarter of the southeast quarter, and the south half of the southeast quarter of Section sixteen (16) in Township twenty-one (21) South of Range eleven (11) West of the Willamette Meridian,—together with the right to enter, cut and remove the same at any time within twenty (20) years from April 18, 1907, and together with the exclusive right to use said premises for logging purposes for the said period of twenty years;

(c) Also all the timber lying, standing or being on

The west half of the northeast quarter, the southeast quarter of the northwest quarter and the northeast quarter of the southwest quarter of Section nine (9) in Township twenty-two (22) South of Range eleven (11) West of the Willamette Meridian,—together with the right to enter, cut and remove the same at any time within thirty (30) years from June 21, 1907, and together with the exclusive right to use said premises for logging purposes for said period of thirty (30) years;

(d) Also all the timber lying, standing or being on

Lot seven (7) (or southeast quarter of the

southeast quarter), and the southwest quarter of the southwest quarter of Section seventeen (17); the south half of the northeast quarter, lot two (2) (or the southeast quarter of the northwest quarter), lots three (3) and four (4) (or the east half of the southwest quarter), the west half of the southeast quarter, and the northeast quarter of the southeast quarter of Section eighteen (18); lot one (1) (or the northeast quarter of the northeast quarter), the northwest quarter of the northeast quarter, the north half of the northwest quarter, and the southeast quarter of the northwest quarter of Section twenty (20) in Township twenty-two (22) South of Range eleven (11) West of the Willamette Meridian, — together with the right to enter, cut and remove the same at any time within thirty (30) years from April 17, 1907, and together with the exclusive use of said premises for said period of thirty years;

(e) Also all the timber lying, standing or being on the south half of the north half, and the south half of Section thirteen (13) in Township twenty-two (22) South of Range twelve (12) West of the Willamette Meridian, — together with the right to enter, cut and remove the same at any time within thirty (30) years from April 4, 1907, and together with the exclusive use of said premises for log-

ging purposes for the said period of thirty (30) years.

All of the property in this clause described lying, being and situate in Douglas County, State of Oregon.

FOURTH—LANDS IN COOS COUNTY:

All the following lands lying, being and situate in Coos County, Oregon:

Lands in Township twenty-four (24) South, Range eleven (11) West of the Willamette Meridian, described as follows:

North half of southwest quarter of Section eleven(11)

Also, lands in Township twenty-five (25) South, Range ten (10) West of the Willamette Meridian, described as follows:

Northwest quarter of Section twenty-two..(22)

East half of northeast quarter of Section thirty-four(34)

East half of southeast quarter of Section thirty-four(34)

Southwest quarter of Section thirty-four..(34)

Also, lands in Township twenty-five (25) South, Range eleven (11) West of the Willamette Meridian, described as follows:

Northeast quarter of Section fifteen.....(15)

South half of northwest quarter of Section fifteen(15)

South half of Section fifteen.....(15)

East half of east half of Section sixteen...(16)

East half of Section twenty-one.....(21)

North half of northwest quarter of Section
twenty-two(22)

Southwest quarter of southeast quarter of
Section twenty-six(26)

Northwest quarter of northeast quarter of
Section thirty-five(35)

East half of northwest quarter of Section
thirty-five(35)

Also, lands in Township twenty-five
(25) South, Range twelve (12) West of
the Willamette Meridian, described as
follows:

Southeast quarter of southwest quarter of
Section seven(7)

Southwest quarter of southeast quarter of
Section seven(7)

Northwest quarter of northeast quarter of
Section Eighteen(18)

Northeast quarter of northwest quarter of
Section eighteen(18)

Also, lands in Township twenty-six
(26) South, Range nine (9) West of the
Willamette Meridian, described as fol-
lows:

Lots one (1), two (2), three (3) and four
(4) of Section four(4)

South half of northwest quarter of Section
four(4)

South half of northeast quarter of Section
four(4)

Southeast quarter of Section four.....(4)

Lots three (3), four (4), five (5), six (6)
and seven (7) of Section six.....(6)

Southeast quarter of northwest quarter of
Section six(6)

East half of southwest quarter of Section
six(6)

Southeast quarter of Section six.....(6)

Also, lands in Township twenty-six
(26) South, Range ten (10) West of the
Willamette Meridian, described as fol-
lows:

Southwest quarter of Section eight.....(8)

North half of southeast quarter of Section
twenty(20)

Southeast quarter of southeast quarter of
Section twenty(20)

North half of northeast quarter of Section
twenty-four(24)

North half of northwest quarter of Section
twenty-four(24)

North half of southeast quarter of Section
twenty-four(24)

North half of southwest quarter of Section
twenty-four(24)

Also, lands in Township twenty-seven
(27) South, Range ten (10) West of the
Willamette Meridian, described as fol-
lows:

South half of northwest quarter of Section
thirty-two(32)

North half of southwest quarter of Section
thirty-two(32)

Also, lands in Township twenty-seven (27) South, Range eleven (11) West of the Willamette Meridian, described as follows:

Lots one (1), two (2), seven (7) and eight (8) of Section twenty-two.....(22)
 Lots three (3) and four (4) of Section twenty-four(24)

Also, lands in Township twenty-seven (27) South, Range twelve (12) West of the Willamette Meridian, described as follows:

North half of Section eight.....(8)
 Southeast quarter of Section ten.....(10)
 Southeast quarter of Section sixteen.....(16)
 North half of Section twenty-two.....(22)
 Southwest quarter of Section twenty-two..(22)

Also, lands in Township twenty-seven (27) South, Range fourteen (14) West of the Willamette Meridian, described as follows:

Northwest quarter of northeast quarter of Section twenty(20)
 Lots three (3) and four (4) of Section twenty(20)
 Northeast quarter of northeast quarter of Section twenty-eight(28)
 Northwest quarter of northwest quarter of Section twenty-eight(28)
 South half of northwest quarter of Section twenty-eight(28)

East half of southwest quarter of Section
twenty-eight(28)

Lots one (1) and two (2) of Section twen-
ty-nine(29)

Lot five (5) of Section thirty-three.....(33)

Southeast quarter of southeast quarter of
Section thirty-three(33)

Also, lands in Township twenty-eight
(28) South, Range ten (10) West of the
Willamette Meridian, described as fol-
lows:

Southwest quarter of southeast quarter of
Section twenty-eight(28)

Also, lands in Township twenty-eight
(28) South, Range eleven (11) West of
the Willamette Meridian, described as
follows:

East half of northeast quarter of Section
thirty(30)

Also, lands in Township twenty-eight
(28) South, Range twelve (12) West of
the Willamette Meridian, described as
follows:

Lots one (1) and two (2) of Section four..(4)

South half of northeast quarter of Section
four(4)

Northwest quarter of Section ten.....(10)

Lot five (5) (or northwest quarter of
northwest quarter) of Section twentysix (26)

South half of southwest quarter of north-
west quarter of Section twenty-eight...(28)

Also, lands in Township twenty-nine

(29) South, Range ten (10) West of the Willamette Meridian, described as follows:

Lot one (1) of Section four.....(4)
 South half of northeast quarter of Section
 four(4)
 Southeast quarter of Section four.....(4)

Also, lands in Township twenty-nine
 (29) South, Range thirteen (13) West of
 the Willamette Meridian, described as
 follows:

Lots four (4) and five (5) of Section six..(6)
 Lots six (6) and seven (7) of Section six..(6)
 Southeast quarter of southwest quarter of
 Section six(6)

Also, lands in Township twenty-nine
 (29) South, Range fourteen (14) West of
 the Willamette Meridian, described as
 follows:

Lot one (1) of Section one.....(1)
 Southeast quarter of northeast quarter of
 Section one(1)
 Northeast quarter of southeast quarter of
 Section one(1)
 East half of west half of northwest quarter
 of Section Twenty-one.....(21)
 East half of northwest quarter of south-
 west quarter of Section twenty-one.....(21)

Also, lands in Township thirty (30)
 South, Range ten (10) West of the Wil-
 lamette Meridian, described as follows:

Lots two (2) and three (3) of Section two..(2)

Northeast quarter of northwest quarter of
Section fourteen(14)

Also, lands in Township thirty (30)
South, Range eleven (11) West of the
Willamette Meridian, described as fol-
lows:

North half of north half of northeast quar-
ter of Section two.....(2)

East half of southwest quarter of Section
thirty(30)

West half of southeast quarter of Section
thirty(30)

Also, lands in Township thirty (30)
South, Range twelve (12) West of the
Willamette Meridian, described as fol-
lows:

Northwest quarter of southeast quarter of
Section twenty(20)

Also, lands in Township thirty-one
(31) South, Range ten (10) West of the
Willamette Meridian, described as fol-
lows:

North half and southwest quarter of Sec-
tion fourteen(14)

Northwest quarter of southeast quarter of
Section fourteen(14)

Northeast quarter of northwest quarter of
Section twenty-four(24)

South half of Section twenty-four.....(24)

Also, lands in Township thirty-one
(31) South, Range eleven (11) West of

the Willamette Meridian, described as follows:

Northwest quarter of northwest quarter of
 Section twelve(12)
 Southwest quarter of Section twelve.....(12)
 Northeast quarter of Section twenty-two..(22)

Also, lands in Township thirty-one
 (31) South, Range twelve (12) West of
 the Willamette Meridian, described as
 follows:

Lot eleven (11) of Section twenty-four..(24)

All of the lands in this clause described lying, being and situate in Coos County, State of Oregon.

FIFTH. The following lands lying, being and situate in either Coos or Curry County, Oregon, in whichever of said counties they may lie, to-wit:

Lands in Township thirty-one (31)
 South, of Range thirteen (13) West of
 the Willamette Meridian, described as
 follows:

Northwest quarter of Section twelve.....(12)

SIXTH—LANDS IN CURRY COUNTY:

All the following lands lying, being and situate in Curry County, Oregon:

Lands in Township thirty-one (31)
 South, Range thirteen (13) West of the
 Willamette Meridian, described as follows:

Southwest quarter of southeast quarter of Section three	(3)
South half of southwest quarter of Sec- tion three	(3)
Southeast quarter of northeast quarter of Section nine	(9)
Southeast quarter of southwest quarter of Section seventeen	(17)
Lots two (2), three (3) and four (4) of Section nineteen	(19)
Northeast quarter of southwest quarter of Section nineteen	(19)
East half of northwest quarter of Section twenty	(20)
Northwest quarter of northeast quarter of Section twenty	(20)
Northeast quarter of southwest quarter of Section twenty	(20)
Northwest quarter of southwest quarter of Section twenty-seven	(27)
North half of northwest quarter of Section, twenty-seven	(27)
Southwest quarter of northwest quarter of Section twenty-seven	(27)
Southwest quarter of northeast quarter of Section thirty-one	(31)
Southeast quarter of Section thirty-one..	(31)
Southeast quarter of Section thirty-two..	(32)
East half of northeast quarter of Section thirty-three	(33)
South half of northwest quarter of Section thirty-three	(33)

North half of northwest quarter of Section
thirty-three(33)

Southeast quarter of southeast quarter of
Section thirty-three(33)

Southeast quarter of northwest quarter of
Section thirty-four(34)

Also, lands in Township thirty-one
(31) South, Range fourteen (14) West
of the Willamette Meridian, described
as follows:

Southwest quarter of southeast quarter of
Section twenty-four(24)

Northwest quarter of northeast quarter of
Section twenty-five(25)

Northeast quarter of northwest quarter of
Section twenty-five(25)

East half of southwest quarter of Section
twenty-five(25)

Southeast quarter of Section twenty-five (25)

Also, lands in Township thirty-two
(32) South, Range twelve (12) West
of the Willamette Meridian, described as
follows:

Southwest quarter of northwest quarter of
Section five(5)

Lot one (1) of Section six.....(6)

Southeast quarter of northeast quarter of
Section six(6)

West half of northeast quarter of Section
seven(7)

West half of southeast quarter of Section
seven(7)

East half of northwest quarter of Section seven	(7)
East half of southwest quarter of Section seven	(7)
Lots one (1), two (2), three (3), and four (4) of Section seven.....	(7)
West half of northeast quarter of Section Eighteen	(18)
East half of northwest quarter of Section Eighteen	(18)
Lots one (1), two (2), three (3) and four (4) of Section eighteen.....	(18)
East half of southwest quarter of Section eighteen	(18)
West half of southeast quarter of Section eighteen	(18)
Also, lands in Township thirty-two (32) South, Range thirteen (13) West of the Willamette Meridian, described as follows:	
Northeast quarter of southwest quarter of Section two	(2)
Northwest quarter of southeast quarter of Section two	(2)
Lot two (2) of Section three.....	(3)
South half of northeast quarter of Section three	(3)
Southwest quarter of Section three.....	(3)
North half of southeast quarter of Section three	(3)
Southeast quarter of northeast quarter of Section eleven	(11)

Northeast quarter of southwest quarter of Section eleven	(11)
South half of southwest quarter of Section eleven	(11)
Northeast quarter of southeast quarter of Section eleven	(11)
Northwest quarter of southeast quarter of Section eleven	(11)
South half of southeast quarter of Section eleven	(11)
Entire Section twelve	(12)
Entire Section thirteen	(13)
Entire Section fourteen	(14)
Northeast quarter of Section fifteen.....	(15)
South half of northwest quarter of Section fifteen	(15)
South half of southwest quarter of Section fifteen	(15)
Southeast quarter of Section fifteen.....	(15)
North half of Section twenty-four.....	(24)

Also, lands in Township thirty-two
(32) South, Range fourteen (14) West of
the Willamette Meridian, described as
follows:

Lots five (5), six (6) and seven (7) of Sec- tion two	(2)
Lots ten (10), eleven (11) and twelve (12) of Section two	(2)
Southwest quarter of Section two.....	(2)
West half of southeast quarter of Section two	(2)

- Lots five (5), six (6) and seven (7) of Section three (3)
 Lots eight (8), nine (9) and ten (10) of Section three (3)
 Southeast quarter of Section three..... (3)
 North half of southwest quarter of Section four (4)
 East half of southeast quarter of Section five (5)
 Lots one (1) and two (2) (or southeast quarter of northeast quarter) of Section ten (10)
 Northwest quarter of southeast quarter of Section ten (10)
 Southwest quarter of northeast quarter of Section eleven (11)
 Lots one (1) and two (2) (or south half of northwest quarter) of Section eleven.. (11)
 Also, lands in Township thirty-two (32) South, Range fifteen (15) West of the Willamette Meridian, described as follows:

- Northeast quarter of northwest quarter of Section four (4)
 South half of northwest quarter of Section four (4)
 All the lands in this clause described lying, being and situate in Curry County, Oregon.

SEVENTH—LANDS IN DOUGLAS COUNTY:

All the following lands lying, being and situate in Douglas County, Oregon:

Lands in Township twenty (20) South,
Range seven (7) West of the Willamette
Meridian, described as follows:

Southeast quarter of Section six.....(6)

Also, lands in Township twenty (20)
South, Range nine (9) West of the Wil-
lamette Meridian, described as follows:

Lots three (3) and four (4) of Section
two(2)

South half of northwest quarter of Sec-
tion two(2)

North half of southwest quarter of Section
two(2)

Southeast quarter of southwest quarter of
Section two(2)

Southeast quarter of Section two.....(2)

Southwest quarter of Section twenty-five..(25)

Also, lands in Township twenty (20)
South, Range ten (10) West of the Wil-
lamette Meridian, described as follows:

Lots five (5), six (6), seven (7) and eight
(8) of Section three.....(3)

Lots nine (9), ten (10), eleven (11) and
twelve (12) of Section three.....(3)

South half of Section three.....(3)

West half of Section ten.....(10)

Northwest quarter of Section eleven.....(11)

Southwest quarter of Section twenty-one..(21)

West half of Section twenty-two.....(22)

Northwest quarter of southwest quarter of

Section thirty-six(36)

Lot six (6) of Section thirty-six.....(36)

Also, lands in Township twenty (20) South, Range eleven (11) West of the Willamette Meridian, described as follows:

Southwest quarter of Section fifteen.....	(15)
Southeast quarter of northeast quarter of Section twenty	(20)
Northwest quarter of Section twenty-one..	(21)
Northeast quarter of southwest quarter of Section twenty-one	(21)
West half of southwest quarter of Section twenty-one	(21)
West half of northeast quarter of Section twenty-two	(22)
North half of northwest quarter of Section twenty-two	(22)
South half of Section thirty-two.....	(32)
Southwest quarter of Section thirty-three.	(33)

Also, lands in Township twenty-one (21) South, Range seven (7) West of the Willamette Meridian, described as follows:

Lots one (1), two (2), three (3), and four (4) of Section two	(2)
Lots five (5), eleven (11) and twelve (12) of Section two	(2)
Northeast quarter of Section twenty-eight.	(28)

Also, lands in Township twenty-one (21) South, Range nine (9) West of the Willamette Meridian, described as follows:

Lots one (1) and two (2) of Section twelve	(12)
West half of northeast quarter of Section twelve	(12)
Southwest quarter of Section twelve.....	(12)
West half of northeast quarter of Section fourteen	(14)
West half of southeast quarter of Section fourteen	(14)
East half of northwest quarter of Section fourteen	(14)
East half of southwest quarter of Section fourteen	(14)
West half of Section sixteen.....	(16)

Also, lands in Township twenty-one
(21) South, Range eleven (11) West of
the Willamette Meridian, described as
follows:

Lots one (1) and two (2) of Section five..	(5)
Southeast quarter of northeast quarter of Section five	(5)
Lot one (1) of Section six.....	(6)
Southeast quarter of Section six.....	(6)
Northeast quarter of northeast quarter of Section eight	(8)
West half of southwest quarter of Section eight	(8)
Southwest quarter of southeast quarter of Section eight	(8)
Northwest quarter of northeast quarter of Section nine	(9)

East half of northwest quarter of Section
nine (9)

East half of southwest quarter of Section
ten (10)

West half of southeast quarter of Section
ten (10)

Southeast quarter of northeast quarter of
Section sixteen (16)

Also, lands in Township twenty-two
(22) South, Range seven (7) West of
the Willamette Meridian, described as
follows:

Lots three (3) and four (4) (or north half
of northwest quarter) of Section six.... (6)

South half of northwest quarter of Section
six (6)

Southwest quarter of Section six..... (6)

Also, lands in Township twenty-two
(22) South, Range eight (8) West of
the Willamette Meridian, described as
follows:

Northeast quarter of northeast quarter of
Section thirty-two (32)

South half of northeast quarter of Section
thirty-two (32)

Northeast quarter of southwest quarter of
Section thirty-two (32)

Southeast quarter of Section thirty-two.. (32)

Also, lands in Township twenty-two
(22) South, Range nine (9) West of the
Willamette Meridian, described as fol-
lows:

Lots three (3), four (4) and five (5) of Section four	(4)
Lots six (6) and seven (7) of Section four.	(4)
East half of southwest quarter of Section four	(4)
Lots one (1), two (2), three (3) and four (4) (or north half of north half) of Sec- tion ten	(10)
Lot five (5) (or southwest quarter of northwest quarter) of Section ten.....	(10)
Lot ten (10) (or southeast quarter of northeast quarter) of Section ten.....	(10)
Southwest quarter of northeast quarter of Section ten	(10)
Southeast quarter of northwest quarter of Section ten	(10)
Northeast quarter of Section twenty.....	(20)
Southeast quarter of Section twenty-four.	(24)
Northwest quarter of Section twenty- eight	(28)
Northwest quarter of southwest quarter of Section twenty-eight	(28)
Lots four (4), five (5), six (6) and seven (7) of Section twenty-eight.....	(28)
Also, lands in Township twenty-two (22) South, Range eleven (11) West of the Willamette Meridian, described as follows:	
Southwest quarter of northeast quarter of Section six	(6)
Lots four (4) and five (5) of Section six..	(6)

Northwest quarter of southeast quarter of
Section six (6)

North half of southeast quarter of Section
seven (7)

Lot six (6) of Section seven..... (7)

Lots one (1) and two (2) of Section eight. (8)

West half of northeast quarter of Section
eight (8)

Lot seven (7) of Section eight..... (8)

Also, lands in Township twenty-two
(22) South, Range twelve (12) West of
the Willamette Meridian, described as
follows:

North half of northeast quarter of Section
twenty-three (23)

Also, lands in Township twenty-three
(23) South, Range nine (9) West of the
Willamette Meridian, described as fol-
lows:

Lots five (5) and six (6) of Section six.... (6)

Also, lands in Township Twenty-four
(24) South, Range seven (7) West of the
Willamette Meridian, described as fol-
lows:

Southwest quarter of northwest quarter of
Section twenty-four (24)

Northeast quarter of southwest quarter of
Section twenty-four (24)

West half of southwest quarter of Section
twenty-four (24)

Also, lands in Township twenty-four

(24) South, Range eight (8) West of the Willamette Meridian, described as follows:

Southeast quarter of Section two.....(2)
 Northwest quarter of Section fourteen....(14)
 West half of west half of Section twenty-six(26)

Also, lands in Township twenty-five (25)

South, Range eight (8) West of the Willamette Meridian, described as follows:

Northeast quarter of northwest quarter of Section twelve(12)

West half of northwest quarter of Section twelve(12)

Northwest quarter of southwest quarter of Section twelve(12)

South half of southwest quarter of Section twelve(12)

South half of southeast quarter of Section twelve(12)

Northeast quarter of Section twenty-eight. (28)

Also, lands in Township twenty-six (26) South, Range eight (8) West of the Willamette Meridian, described as follows:

Southwest quarter of northeast quarter of Section eight(8)

North half of northwest quarter of Section eight(8)

Southeast quarter of northwest quarter of Section eight(8)

Northeast quarter of southwest quarter of Section eight	(8)
North half of southeast quarter of Section eight	(8)
Southeast quarter of southeast quarter of Section eight	(8)
South half of northwest quarter of Section thirty-two	(32)
North half of southwest quarter of Section thirty-two	(32)
Also, lands in Township twenty-six (26) South, Range nine (9) West of the Willamette Meridian, described as fol- lows:	
Southwest quarter of Section two.....	(2)
Northwest quarter of Section twelve.....	(12)
North half of southwest quarter of Section twelve	(12)
South half of northeast quarter of Section fourteen	(14)
Southeast quarter of northwest quarter of Section fourteen	(14)
Northeast quarter of southwest quarter of Section fourteen	(14)
Northeast quarter of Section twenty-two.	(22)
Also, lands in Township twenty-seven (27) South, Range seven (7) West of the Willamette Meridian, described as fol- lows:	
Lots one (1), two (2), three (3) and four (4) of Section six	(6)

Lots five (5), six (6) and seven (7) of Section six	(6)
South half of northeast quarter of Section six	(6)
Southeast quarter of northwest quarter of Section six	(6)
East half of southwest quarter of Section six	(6)
Southeast quarter of Section six.....	(6)
Lots one (1), two (2), three (3) and four (4) of Section eighteen	(18)
East half of northwest quarter of Section eighteen	(18)
East half of southwest quarter of Section eighteen	(18)

Also, lands in Township twenty-seven 27) South, Range eight (8) West of the Willamette Meridian, described as follows:

Northeast quarter of Section eight.....	(8)
West half of northwest quarter of Section eight	(8)
Entire Section twelve	(12)
Entire Section fourteen.....	(14)
Northeast quarter of northeast quarter of Section twenty-two	(22)
South half of northeast quarter of Section twenty-two	(22)
Entire Section twenty-four	(24)

Also, lands in Township thirty (30) South, Range nine (9) West of Willamette Meridian, described as follows:

Southwest quarter of northwest quarter of
Section fourteen(14)

Northwest quarter of northeast quarter of
Section seventeen(17)

North half of northwest quarter of Section
eighteen(17)

North half of northeast quarter of Section
eighteen(18)

Also, lands in Township thirty-one
(31) South, Range eight (8) West of the
Willamette Meridian, described as fol-
lows:

Lots three (3), four (4), nine (9) and ten
(10) of Section eighteen(18)

Also, lands in Township thirty-one
(31) South, Range nine (9) West of the
Willamette Meridian, described as fol-
lows:

West half of northeast quarter of Section
eighteen(18)

East half of northwest quarter of Section
eighteen(18)

Lots one (1) and two (2) of Section
eighteen(18)

All the lands in this clause described lying,
being and situate in Douglas County, Oregon.

EIGHTH—LANDS IN LANE COUNTY:

All the following lands lying, being and sit-
uate in Lane County, Oregon:

Lands in Township fifteen (15) South,
Range three (3) East of the Willamette
Meridian, described as follows:

South half of southwest quarter of Section
thirty-five (35)

Also, lands in Township twenty-three
(23) South, Range one (1) West of the
Willamette Meridian, described as fol-
lows:

Northeast quarter of Section eighteen.... (18)

All the lands in this clause described lying,
being and situate in Lane County, Oregon.

NINTH. The following lands lying, being
and situate in either Lane or Linn County,
Oregon, in whichever of said counties they may
lie, to wit:

Lands in Township fifteen (15) South
of Range three (3) East of the Willa-
mette Meridian, described as follows:

Southeast quarter of northwest quarter of
Section thirty-five (35)

TENTH—LANDS IN LINCOLN COUNTY:

All the following lands lying, being and sit-
uate in Lincoln County, Oregon:

Lands in Township fourteen (14)
South, Range eleven (11) West of the
Willamette Meridian, described as fol-
lows:

Lots nineteen (19), twenty-one (21) and
twenty-two (22) of Section six..... (6)

East half of southwest quarter of Section
six (6)

Southeast quarter of Section six..... (6)

Also, lands in Township fourteen (14)

South, Range twelve (12) West of the Willamette Meridian, described as follows:

Lots sixteen (16) and seventeen (17) of Section one	(1)
Lots eighteen (18) and nineteen (19) of Section one	(1)
North half of southwest quarter of Section one	(1)
Southeast quarter of Section one.....	(1)
Lots twelve (12), thirteen (13) and fourteen (14) of Section two	(2)
West half of northeast quarter of Section twelve	(12)
Northwest quarter of southwest quarter of Section twelve	(12)
Southeast quarter of northeast quarter of Section twenty-three	(23)
East half of southwest quarter of Section twenty-three	(23)
Entire Section twenty-five	(25)

All the lands in this clause described lying, being and situate in Lincoln County, Oregon.

ELEVENTH—LANDS IN LINN COUNTY:

All the following lands lying, being and situate in Linn County, Oregon:

Lands in Township twelve (12) South, Range two (2) East of the Willamette Meridian, described as follows:

East half of northeast quarter of Section sixteen	(16)
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East half of southeast quarter of Section sixteen (16)

Also, lands in Township twelve (12)

South, Range three (3) East of the Willamette Meridian, described as follows:

Entire Section sixteen (16)

North half of northeast quarter of Section thirty-three (33)

Northwest quarter of northwest quarter of Section thirty-four (34)

Southeast quarter of northwest quarter of Section thirty-four (34)

Northwest quarter of southwest quarter of Section thirty-four (34)

Northeast quarter of Section thirty-six... (36)

Northeast quarter of northwest quarter of Section thirty-six (36)

South half of northwest quarter of Section thirty-six (36)

South half of Section thirty-six..... (36)

Also, lands in Township twelve (12)

South, Range four (4) East of the Willamette Meridian, described as follows:

Entire Section thirty-six..... (36)

Also, lands in Township thirteen (13)

South, Range one (1) East of the Willamette Meridian, described as follows:

Southeast quarter of northeast quarter of Section two (2)

Northeast quarter of Section ten (10)

Southwest quarter of Section ten..... (10)

West half of southeast quarter of Section ten	(10)
Southeast quarter of southeast quarter of Section ten	(10)
North half of northeast quarter of Section fourteen	(14)
Southeast quarter of northeast quarter of Section fourteen	(14)
East half of southeast quarter of Section fourteen	(14)
North half of southwest quarter of Section sixteen	(16)
South half of northeast quarter of Section thirty-six	(36)
South half of northwest quarter of Section thirty-six	(36)
Also, lands in Township thirteen (13)	
South, Range two (2) East of the Willa-	
mette Meridian, described as follows:	
South half of southeast quarter of Section two	(2)
Southwest quarter of Section four.....	(4)
South half of northeast quarter of Section six	(6)
Lot seven (7) of Section six.....	(6)
Southeast quarter of southwest quarter of Section six	(6)
Southeast quarter of Section six.....	(6)
North half of northeast quarter of Section eight	(8)
North half of northwest quarter of Section eight	(8)

Southwest quarter of Northwest quarter of Section eight	(8)
East half of southeast quarter of Section eight	(8)
North half of northeast quarter of Section fourteen	(14)
North half of northwest quarter of Section fourteen	(14)
Southwest quarter of northeast quarter of Section fourteen	(14)
Southeast quarter of northwest quarter of Section fourteen	(14)
North half of southwest quarter of Section fourteen	(14)
Southeast quarter of Section fourteen....	(14)
North half of northeast quarter of Section twenty	(20)
North half of northwest quarter of Section twenty	(20)
Southeast quarter of southeast quarter of Section twenty-six	(26)
Southwest quarter of southwest quarter of Section twenty-six	(26)
West half of northeast quarter of Section twenty-eight	(28)
East half of northwest quarter of Section twenty-eight	(28)
Northeast quarter of southwest quarter of Section twenty-eight	(28)
West half of southeast quarter of Section twenty eight	(28)
Northeast quarter of Section thirty.....	(30)

West half of northwest quarter of Section thirty-two	(32)
North half of southwest quarter of Section thirty-two	(32)
Southwest quarter of Section thirty-four..	(34)
South half of southeast quarter of Section thirty-four	(34)
Northeast quarter of Section thirty-six...	(36)
Also, lands in Township thirteen (13) .	
South, Range three (3) East of the Wil- lamette Meridian, described as follows:	
Lots one (1) and two (2) of Section two..	(2)
South half of northeast quarter of Section two	(2)
Lot four (4) of Section two.....	(2)
South half of northwest quarter of Section two	(2)
West half of southwest quarter of Section two	(2)
Southeast quarter of southwest quarter of Section two	(2)
Northeast quarter of southeast quarter of Section two	(2)
South half of southeast quarter of Section two	(2)
Northeast quarter of southeast quarter of Section four	(4)
South half of southeast quarter of Section four	(4)
Northwest quarter of northeast quarter of Section eight	(8)

Southeast quarter of northeast quarter of Section eight	(8)
Southeast quarter of northwest quarter of Section eight	(8)
Northeast quarter of southwest quarter of Section eight	(8)
South half of southwest quarter of Section eight	(8)
Southwest quarter of southeast quarter of Section eight	(8)
Southwest quarter of northwest quarter of Section nine	(9)
West half of southwest quarter of Section nine	(9)
North half of northeast quarter of Section ten	(10)
East half of northwest quarter of Section ten	(10)
Southwest quarter of Section ten.....	(10)
Southeast quarter of southeast quarter of Section ten	(10)
North half of northeast quarter of Section twelve	(12)
East half of northwest quarter of Section twelve	(12)
Northeast quarter of southwest quarter of Section twelve	(12)
North half of Section sixteen.....	(16)
Southwest quarter of Section sixteen.....	(16)
North half of southeast quarter of Section sixteen	(16)

West half of northeast quarter of Section eighteen	(18)
Northeast quarter of northwest quarter of Section eighteen	(18)
Lot two (2) of Section eighteen.....	(18)
Southeast quarter of northwest quarter of Section eighteen	(18)
Lot three (3) of Section eighteen.....	(18)
Southwest quarter of northwest quarter of Section thirty-four	(34)
Southeast quarter of southeast quarter of Section thirty-four	(34)
Also, lands in Township thirteen (13)	
South, Range four (4) East of the Willa-	
mette Meridian, described as follows:	
Lots one (1), two (2), three (3) and four (4) of Section one	(1)
Southeast quarter of northeast quarter of Section one	(1)
Southwest quarter of Section one.....	(1)
Northeast quarter of southeast quarter of Section one	(1)
South half of southeast quarter of Section one	(1)
Southwest quarter of Section two.....	(2)
Lots three (3), four (4) and five (5) of Section six	(6)
Southeast quarter of northwest quarter of Section six	(6)
Lots six (6) and seven (7) of Section six..	(6)
East half of southwest quarter of Section six	(6)

East half of northeast quarter of Section twelve	(12)
Northwest quarter of Section twelve.....	(12)
East half of southeast quarter of Section twelve	(12)
Entire Section sixteen	(16)
Northeast quarter of northwest quarter of Section twenty-three	(23)
South half of northwest quarter of Section twenty-three	(23)
Northwest quarter of southwest quarter of Section twenty-three	(23)
Also, lands in Township fourteen (14)	
South, Range one (1) East of the Wil- lamette Meridian, described as follows:	
Lots three (3) and four (4) of Section two. (2)
East half of southwest quarter of Section two	(2)
Northwest quarter of southeast quarter of Section two	(2)
South half of southeast quarter of Section two	(2)
Northeast quarter of northwest quarter of Section twelve	(12)
Southwest quarter of northwest quarter of Section twelve	(12)
East half of southeast quarter of north- west quarter of Section twelve.....	(12)
North half of northeast quarter of Section fourteen	(14)

Southeast quarter of northeast quarter of Section fourteen	(14)
North half of southeast quarter of Section fourteen	(14)
Southwest quarter of northwest quarter of Section nineteen	(19)
Northwest quarter of Section twenty-two.	(22)
Southeast quarter of Section twenty-two..	(22)
Southeast quarter of Section twenty-four.	(24)
Northeast quarter of northeast quarter of Section twenty-six	(26)
West half of northeast quarter of Section twenty-six	(26)
Southwest quarter of Section twenty-six..	(26)
Also, lands in Township fourteen	(14)
South, Range two (2) East of the Wil- lamette Meridian, described as follows:	
Lots one (1) and two (2) of Section four..	(4)
South half of northeast quarter of Section four	(4)
North half of Lot three (3) of Section four.	(4)
North half of Lot four (4) of Section four.	(4)
West half of south half of Lot four of Sec- tion four	(4)
West half of southwest quarter of north- west quarter of Section four	(4)
Northwest quarter of southwest quarter of Section four	(4)
Lots one (1) and two (2) of Section six....	(6)
South half of northeast quarter of Section six	(6)
Lot three (3) of Section six.....	(6)

Southeast quarter of northwest quarter of	
Section six	(6)
Lots six (6) and seven (7) of Section six..	(6)
Southeast quarter of southwest quarter of	
Section six	(6)
Northeast quarter of southeast quarter of	
Section six	(6)
South half of southeast quarter of Section	
six	(6)
Northwest quarter of northeast quarter of	
Section eight	(8)
North half of northwest quarter of Section	
eight	(8)
North half of southwest quarter of north-	
west quarter of Section eight.....	(8)
Southwest quarter of southwest quarter of	
northwest quarter of Section eight.....	(8)
North half of southeast quarter of north-	
west quarter of Section eight	(8)
North half of northeast quarter of south-	
west quarter of Section eight.....	(8)
West half of southwest quarter of Section	
eight	(8)
South half of southeast quarter of south-	
west quarter of Section eight.....	(8)
Lot three (3) of Section ten.....	(10)
Lots one (1) and two (2) of Section twelve.	(12)
South half of northeast quarter of Section	
twelve	(12)
Lots three (3) and four (4) of Section	
twelve	(12)

Southeast quarter of northwest quarter of Section twelve	(12)
North half of southeast quarter of Section twelve	(12)
East half of southeast quarter of Section fourteen	(14)
Lots three (3) and four (4) of Section six- teen	(16)
Southwest quarter of northwest quarter of Section sixteen	(16)
South half of southwest quarter of Section sixteen	(16)
South half of southeast quarter of Section sixteen	(16)
Northeast quarter of southwest quarter of Section eighteen	(18)
Southeast quarter of southeast quarter of Section eighteen	(18)
North half of northeast quarter of Section twenty-two	(22)
Southeast quarter of northeast quarter of Section twenty-two	(22)
Northwest quarter of Section twenty-two.	(22)
Southeast quarter of Section twenty-two.	(22)
Northwest quarter of Section twenty-six..	(26)
North half of Section twenty-eight.....	(28)
Southeast quarter of Section twenty-eight.	(28)
Northeast quarter of Section thirty.....	(30)
Lots three (3) and four (4) of Section thirty	(30)
East half of southwest quarter of Section thirty	(30)

Southeast quarter of Section thirty.....(30)

Northwest quarter of Section thirty-two..(32)

Also, lands in Township fourteen (14)

South, Range three (3) East of the Wil-
lamette Meridian, described as follows:

Lot four (4) of Section two.....(2)

South half of northwest quarter of Section
two(2)

East half of southeast quarter of Section
two(2)

Lot two (2) and south half of northeast
quarter of Section four(4)

Lots three (3) and four (4) of Section
four(4)

South half of northwest quarter of Section
four(4)

West half of southwest quarter of Section
four(4)

Southeast quarter of southwest quarter of
Section four(4)

Southeast quarter of Section four.....(4)

Lot one (1) and south half of northeast
quarter of Section six(6)

Lots four (4) and five (5) of Section six.(6)

Southeast quarter of northwest quarter of
Section six(6)

Lots six (6) and seven (7) of Section six.(6)

Northeast quarter of southwest quarter of
Section six(6)

Northeast quarter of southeast quarter of
Section six(6)

South half of southeast quarter of Section six	(6)
Southwest quarter of northeast quarter of Section eight	(8)
West half of northwest quarter of Section eight	(8)
Southeast quarter of northwest quarter of Section eight	(8)
North half of southwest quarter of Section eight	(8)
Southwest quarter of southwest quarter of Section eight	(8)
Southeast quarter of Section eight.....	(8)
West half of Section ten.....	(10)
Southwest quarter of northeast quarter of Section eleven	(11)
Northwest quarter of southeast quarter of Section eleven	(11)
Southeast quarter of southeast quarter of Section eleven	(11)
South half of northeast quarter of Section twelve	(12)
East half of northwest quarter of Section twelve	(12)
East half of southwest quarter of Section twelve	(12)
Northeast quarter of southeast quarter of Section twelve	(12)
Southwest quarter of southeast quarter of Section twelve	(12)
Entire Section sixteen	(16)

North half of northeast quarter of Section seventeen	(17)
Southeast quarter of northeast quarter of Section eighteen	(18)
Lot four (4) of Section eighteen.....	(18)
Southeast quarter of Section eighteen....	(18)
Southwest quarter of Section twenty.....	(20)
Southeast quarter of Section twenty-six..	(26)
Entire Section thirty-six	(36)

Also, lands in Township fourteen (14)

South, Range four (4) East of the Wil- lamette Meridian, described as follows:	
Southeast quarter of southeast quarter of Section seven	(7)
North half of southwest quarter of Section eight	(8)
Southeast quarter of southeast quarter of Section eight	(8)
South half of northwest quarter of Section fifteen	(15)
Entire Section sixteen	(16)
Northeast quarter of southeast quarter of Section seventeen	(17)
Southeast quarter of northeast quarter of Section eighteen	(18)
Southwest quarter of southwest quarter of Section twenty	(20)
Southeast quarter of southwest quarter of Section twenty-two	(22)
Northwest quarter of northeast quarter of Section twenty-four	(24)

Northwest quarter of northwest quarter of Section twenty-four	(24)
Northwest quarter of southwest quarter of Section twenty-four	(24)
Southeast quarter of southwest quarter of Section twenty-four	(24)
Southeast quarter of Section twenty-four.	(24)
Northwest quarter of northeast quarter of Section twenty-five	(25)
Northeast quarter of northwest quarter of Section twenty-five	(25)
Northeast quarter of northeast quarter of Section twenty-nine	(29)
South half of northeast quarter of Section twenty-nine	(29)
East half of west half of Section twenty- nine	(29)
West half of southeast quarter of Section twenty-nine	(29)
Northwest quarter of northeast quarter of Section thirty-two	(32)
Also, lands in Township fifteen (15) South, Range three (3) East of the Wil- lamette Meridian, described as follows:	
Lots one (1), two (2), three (3), and four (4) of Section one	(1)
Lots five (5), six (6), seven (7), and eight (8) of Section one	(1)
Lots nine (9), ten (10), eleven (11) and twelve (12) of Section one	(1)
Lots thirteen (13), fourteen (14), fifteen (15) and sixteen (16) of Section one....	(1)

South half of Section one	(1)
Lots one (1), two (2), three (3) and four (4) of Section two	(2)
Lots five (5), six (6), seven (7) and eight (8) of Section two	(2)
Lots nine (9), ten (10), eleven (11) and twelve (12) of Section two	(2)
Lots thirteen (13) and sixteen (16) of Sec- tion two	(2)
West half of southwest quarter of Section two	(2)
Southeast quarter of southwest quarter of Section two	(2)
South half of southeast quarter of Section two	(2)
Lots one (1), two (2), three (3) and four (4) of Section three	(3)
Lots five (5), six (6), seven (7) and eight (8) of Section three	(3)
Lots nine (9), ten (10), eleven (11) and twelve (12) of Section three	(3)
Lots thirteen (13), fourteen (14), fifteen (15), and sixteen (16) of Section three.	(3)
South half of Section three.....	(3)
Lots one (1), two (2), three (3) and four (4) of Section four	(4)
Lots five (5), six (6), seven (7) and eight (8) of Section four	(4)
Lots nine (9), ten (10), eleven (11) and twelve (12) of Section four.....	(4)
Lots thirteen (13), fourteen (14), fifteen (15) and sixteen (16) of Section four....	(4)

South half of Section four.....	(4)
Lots one (1), two (2), three (3) and four	
(4) of Section five	(5)
Lots five (5), six (6), seven (7) and eight	
(8) of Section five	(5)
Lots nine (9), ten (10), eleven (11) and	
twelve (12) of Section five.....	(5)
Lots thirteen (13), fourteen (14), fifteen	
(15) and sixteen (16) of Section five..	(5)
South half of Section five.....	(5)
Lots one (1), two (2), three (3) and four	
(4) of Section six	(6)
Lots five (5), six (6), seven (7) and eight	
(8) of Section six	(6)
Lots nine (9), ten (10), eleven (11) and	
twelve (12) of Section Six	(6)
Lots thirteen (13) and fourteen (14) of	
Section six	(6)
East half of southwest quarter of Section	
six	(6)
Southeast quarter of Section six.....	(6)
Entire Section eight	(8)
Entire Section nine	(9)
Entire Section ten	(10)
Entire Section eleven	(11)
Entire Section twelve	(12)
Entire Section thirteen	(13)
Entire Section fourteen	(14)
Entire Section fifteen	(15)
East half of Section seventeen.....	(17)
Northeast quarter of Section eighteen....	(18)

Lots one (1) and two (2) of Section eighteen	(18)
East half of northwest quarter of Section eighteen	(18)
Lots three (3) and four (4) of Section eighteen	(18)
East half of southwest quarter of Section eighteen	(18)
Southeast quarter of Section eighteen....	(18)
Northeast quarter of Section twenty.....	(20)
North half of northwest quarter of Section twenty	(20)
East half of northeast quarter of Section twenty-one	(21)
Northwest quarter of Section twenty-one..	(21)
North half of southwest quarter of Section twenty-one	(21)
Southeast quarter of southwest quarter of Section twenty-one	(21)
East half of southeast quarter of Section twenty-one	(21)
North half of northeast quarter of Section twenty-two	(22)
North half of Section twenty-three.....	(23)
Northwest quarter of Section twenty-four.	(24)
West half of southeast quarter of Section twenty-five	(25)
Southeast quarter of southeast quarter of Section twenty-five	(25)
Southwest quarter of northeast quarter of Section twenty-seven	(27)

North half of northwest quarter of Section twenty-seven	(27)
Southeast quarter of northwest quarter of Section twenty-seven	(27)
Southwest quarter of southwest quarter of Section twenty-seven	(27)
Southwest quarter of southeast quarter of Section twenty-seven	(27)
Southwest quarter of northeast quarter of Section twenty-eight	(28)
South half of northwest quarter of Section twenty-eight	(28)
South half of Section twenty-eight.....	(28)
Northeast quarter of Section thirty.....	(30)
Lots one (1) and two (2) of Section thirty.....	(30)
East half of northwest quarter of Section thirty	(30)
Lots three (3) and four (4) of Section thirty	(30)
East half of southwest quarter of Section thirty	(30)
Southeast quarter of Section thirty.....	(30)
North half of northeast quarter of Section thirty-three	(33)
West half of northeast quarter of Section thirty-four	(34)
Northwest quarter of Section thirty-four.....	(34)
North half of northeast quarter of Section thirty-five	(35)
North half of northwest quarter of Section thirty five	(35)

All of the lands in this clause described lying, being and situate in Linn County, Oregon;

Together with the buildings, machinery, railroad tracks, cars, and locomotives now or hereafter placed upon said premises in any of the said eleven clauses described, or upon any portion thereof.

TO HAVE AND TO HOLD all and singular the above described property and rights, together with all the rights, title and interest thereunto belonging, and all the privileges and appurtenances thereunto appertaining, together with all other property which by the terms hereof may become subject to this instrument, unto the said Union Trust Company and the said Frederick H. Rawson, Trustees, their successors in trust, and their assigns in fee simple forever. And the parties of the first and second parts, Grantors herein, covenant that they are respectively seized and possessed of the property above described and conveyed by them respectively; that the same is unencumbered and that they have a good right to convey it; and they respectively warrant to forever defend the title thereto unto the said Trustees, their successors and assigns, against the lawful claims of all persons whomsoever.

In trust nevertheless for the purpose of securing the prompt and punctual payment of all and every of the bonds above described and of the interest coupons thereto attached, without preference or priority of one bond over an-

other, or of bonds over coupons, or of coupons over bonds, with the same effect as if all of said bonds matured upon the same date, and regardless of the date or time of the issue or negotiation thereof; and subject to the following provisions, restrictions and conditions, to wit:

ARTICLE I.

All of the bonds issued and certified hereunder shall stand upon equality without regard to date of issue, certification or delivery. Only such bonds as shall bear thereon endorsed the certificate of the Corporation Trustee or its successor hereunder, by it duly executed, shall be valid or obligatory for any purpose or shall be secured by this instrument or entitled to any lien or benefit hereunder, and every such certificate of said Corporation Trustee upon any bond executed in behalf of the Company shall be the only and conclusive evidence that the bond so certified has been duly issued hereunder and is entitled to the benefit of the trust hereby created and no holder of any bond issued hereunder which shall be so certified by said Corporation Trustee shall be under a duty to ascertain whether the same shall have been duly issued, certified and delivered, according to the provisions hereof.

The entire issue of said bonds shall be executed by the Company and at once certified and delivered by said Union Trust Company to

the President of the Company or to such person or persons as the Board of Directors of the Company by its resolution may designate.

Upon certifying or delivering any bond under this mortgage or deed of trust all coupons thereon then matured shall be detached and cancelled by the Corporation Trustee and by the Corporation Trustee delivered to the Company.

In case the officers who shall have signed and sealed any of the bonds aforesaid shall cease to be such officers of the Company before the bonds so signed and sealed shall have been actually certified and delivered by the Corporation Trustee, or issued, such bonds may nevertheless be issued, certified and delivered as though the persons who had signed and sealed such bonds had not ceased to be officers of said Company.

Interest coupons shall be authenticated by the engraved fac-simile signature of the present Treasurer of the Company, and the Company may adopt and use said coupons, notwithstanding the fact that the present Treasurer may have ceased to hold such office at the time when said bonds, or some portion thereof, shall be actually certified and delivered.

The Trustee shall not be bound to see to the application, use or disposition of any of the bonds secured hereby, or of the proceeds thereof.

ARTICLE II.

In case any bond issued under this instrument or the coupons thereto appertaining, shall become mutilated, lost or destroyed, the Company in its discretion may issue and thereupon the Corporation Trustee shall certify and deliver a new bond of like date, tenor and amount, bearing the same number as the one mutilated, lost or destroyed, in exchange for and in place of and upon the cancellation of the mutilated bond or coupons, or in lieu of and substitution for the same, if lost or destroyed. In such case the applicant for such new or substituted bond shall bear the expense of furnishing the same.

The Company shall not be required to issue nor the Corporation Trustee to certify a new bond in lieu of any bond alleged to have been lost or destroyed unless the applicant for such new bond shall first furnish evidence of such loss or destruction, and indemnity against its subsequent presentation as an obligation of the Company, which evidence and indemnity shall be satisfactory to both the Company and the Corporation Trustee, in their discretion.

ARTICLE III.

Any bond secured hereby shall pass by delivery unless registered, but it may be registered as to principal in the holder's name on the

books of the Corporation Trustee, at its office in the City of Chicago, Illinois, such registry being noted on the bond by said Registrar, after which only such registered holder, or the legal representative of such holder, shall be entitled to receive the principal thereof; and no transfer shall be valid unless made on said Corporation Trustee's books by the registered holder of the bond in person or by the legal representative of such holder and similarly noted on the bond; but the bond may be discharged from registry by registration to bearer, after which it shall be transferable by delivery. It may be registered again, however, in the manner above provided.

The registry of any bond shall not impair the negotiability of the coupons, but the same shall continue to be transferable by delivery notwithstanding such registration.

ARTICLE IV.

Linn and Lane Timber Company agrees and covenants that it will duly and punctually pay, or cause to be paid, to every holder of any bond issued hereunder, and secured hereby, the principal and interest accrued thereon, all in gold coin of the United States of America of the standard of weight and fineness existing on the sixth day of June, 1910, notwithstanding any law which may now or hereafter make anything else a legal tender in payment of debts,

at the dates and place, and in the manner mentioned in said bonds or in the coupons thereto appertaining, according to the true intent and meaning thereof, and without deduction from either the principal or interest for any tax, or taxes, or assessments, or other governmental charges which may be imposed thereon, or which the Company may be required or permitted to pay or to deduct or retain therefrom under or by reason of any present or future law of the United States, or of any state, county or municipality thereunder.

However, the interest on said bonds shall be payable only upon the presentation and surrender of the respective coupons annexed to said bonds, as such coupons respectively mature and when and as paid all the coupons shall forthwith be cancelled and delivered to the Company.

And the Company agrees promptly, and in time to prevent any sale or forfeiture of the mortgaged premises or any part of the same on account thereof, whether hereby conveyed by it, or by the Lumber and Manufacturing Company, to pay, or cause to be paid, all taxes, assessments and governmental charges which shall from time to time be legally imposed, assessed or levied, upon or against the property hereby conveyed, or upon any part thereof, whether hereby conveyed by the Company or by the Lumber and Manufacturing Company, or upon the profits or income thereof; and to pay

or cause to be paid any judgment or other encumbrance, the lien whereof might be held superior to the lien of these presents, upon the property hereby conveyed by either of the Grantors, or upon any part thereof, so that the priority of these presents shall at all times be fully maintained and preserved; provided, however, that the Company may, with the consent of the Corporation Trustee thereto first had and obtained in writing, resist in any legal way the payment of any tax, assessment or charge upon said property hereby conveyed, or any part thereof, which the Company may deem unjust, illegal or unauthorized. And the Company agrees to do on demand of the said Trustee, or its successors, all acts necessary or proper to keep valid the lien hereby created or intended to be created; and at any future time and as often as it may be necessary to execute or cause to be executed on demand of said Trustee, or its successors, all such other and additional deeds, mortgages, or other instruments in writing, in due form and effect, as may be proper to the better carrying out of the true intent and meaning of these presents.

And the Company further covenants and agrees that it will not cut nor permit to be cut any timber from the premises hereunder mortgaged, nor any timber hereunder mortgaged, nor extract anything from or deaden the said timber, or any portion thereof, nor permit the same to be done, nor permit any waste or other

change in the property hereby mortgaged, except as is herein otherwise expressly provided, but that it will diligently preserve and protect the same.

In case the Company shall fail to promptly pay or cause to be paid any tax, assessment or other charge as provided for herein, either of the Trustees may pay the same (but shall not be under any obligation whatsoever so to do), in which event such Trustee shall be subrogated, either with or without an act, writing or other instrument to that effect, to the rights and demands of the State, County, City, Town or other municipality, as the case may be; and in addition thereto the amount thus expended, together with interest thereon at the rate of six per centum per annum shall be a charge on the property hereby conveyed prior to the lien of the bonds hereby secured.

C. A. Smith Lumber and Manufacturing Company covenants that its lumber mill plant, equipment and appurtenances, and its logging apparatus and plant will be kept in repair and maintained in good working order and condition, and if worn out or injured will be replaced by other property suitable to the business for which it is now used, and of at least equal value, and that such lumber mill plant, equipment and appurtenances, and such logging apparatus and plant shall not be removed from the mortgaged premises without the consent of the Trustees hereunder.

ARTICLE V.

The Company agrees that it will, at all times during the existence of any of the indebtedness secured hereby, keep or cause to be kept insured by the Grantor owning the same, against loss by fire or cyclone, all of the buildings now on any portion of the property hereby mortgaged or which may hereafter be erected thereon, and all the machinery, equipment and apparatus used or provided for use in connection with said lumber mill plant and equipment that are usually insured by companies or persons engaged in like business and in the same manner, and to the same extent (but in an amount not less than Seventy-five Thousand (75,000) Dollars), and shall cause such insurance to be made payable in case of loss to the Trustees hereunder or their successors, by proper stipulations in the face of the policies therefor.

In case of loss or damage to any property covered by such insurance policies the Trustees may allow the amount of the insurance money received from said policies on account of such loss to be applied toward the replacement of, or addition to the property destroyed or damaged, if the Company shall in writing so request. In such case the Trustees, shall from time to time pay to the Company or to the Lumber and Manufacturing Company as such written request may indicate, any or all of the proceeds of such insurance money so collected or

received; but no such payment shall be made until and unless the Trustees shall first be furnished with a statement or statements verified by the affidavits of the President or Vice-President of the Company or of the Lumber and Manufacturing Company as the case may be, showing that such Company has theretofore made actual expenditures to an amount equal to or greater than the amount of insurance money sought to be thus obtained from the Trustees, in or about the repair or the replacement of the property damaged or destroyed for or on account of which such insurance money was collected; and all such repairs or replacements shall be and become subject to the lien of this instrument in like manner and to the same extent as was the property damaged or destroyed. The Trustees shall not be compelled to act upon such affidavits, but should they deem proper they may before making such payments of insurance money make or cause to be made such further investigation with reference to such expenditures, repairs or replacements, as they see fit.

But if within ninety days from the time of the collection of the proceeds of any such insurance policy the Company shall not in writing request the Trustees to hold such proceeds for the purpose of applying the same on such repairs or replacements, then the said sums so collected shall be credited to and become a part of the fund held by the Corporation Trustee

for the purpose of retiring bonds hereby secured, as is provided in Article VII and other Articles hereof.

Likewise shall all surplus monies be so applied in case the cost of repairs or replacements shall not equal the total amount of the proceeds collected from such insurance policies.

In case of loss covered by any policy of insurance, any appraisalment or adjustment of such loss, and settlement and payment of indemnity therefor, which may be agreed upon between the Grantors or either of them and any insurance company, may be consented to and accepted by the Trustees.

The Trustees shall be in no way liable or responsible for a failure to collect any insurance money that may become due them under the provisions hereof, or of the policies above referred to, but only for such amounts as may come into their hands as the proceeds of such policies.

The Company further covenants and agrees that until all and singular the bonds and coupons hereby secured shall be paid and discharged and until this instrument is duly released as herein provided, it shall take, or cause to be taken, all reasonable precaution to prevent damage to, or destruction by fire of the timber hereby conveyed, including the timber upon the lands hereby conveyed, and to that end it covenants and agrees during the period last aforesaid, from time to time, to institute

and maintain such system of fire protection either on its own account or jointly or in association with other land owners as shall from time to time be prescribed by the Trustees with the approval of Lyon, Gary & Company, an Illinois Corporation, provided, however, that the Company shall not be obligated to observe and perform the requirements so prescribed by said Trustees, approved as aforesaid, to an extent which will involve in any one year the expenditure by the Company of an amount of money in excess of three thousand dollars.

ARTICLE VI.

In order to prevent any accumulation of bonds or coupons after their maturity, the Company covenants and agrees that it will not directly or indirectly extend or assent to the extension of the time for payment of any of the bonds or of any coupons of any of the bonds secured hereby, by purchase or funding of such bonds or coupons or by any other arrangement. In case the time for payment of any such bond or coupon shall be so extended, whether or not such extension be with or by the consent of the Company, such bond or coupon shall not be entitled, in case of any default hereunder, to the benefit or security of this mortgage, except subject to the prior payment in full of the principal of all bonds issued hereunder then outstanding, and of all matured

coupons, and of all other accrued interest on such bonds the payment of which has not been so extended.

ARTICLE VII.

The number first having been selected by lot by the Corporation Trustee, any outstanding bond issued hereunder may be redeemed and paid by the Company at the place of payment of said bonds on any interest payment date, upon payment of the principal of said bond and interest due thereon at the date of such redemption, together with a premium of two and one-half ($2\frac{1}{2}$) per centum on the principal thereof. Such selections shall in every case be made from the bonds first maturing, no bond being subject to selection for redemption until all bonds of prior maturities have either been paid or selected for redemption. In case of an election to redeem any of the bonds issued hereunder before maturity and a selection pursuant to such election either the Company or the Corporation Trustee shall publish a notice of such election to redeem and the selection thereunder once a week for four successive weeks (the first of such publications to be not less than ninety days previous to the date of redemption) in some newspaper of general circulation published in the City of Chicago, State of Illinois, which notice shall state the numbers of the bonds selected as above to be redeemed, and the date when the bonds so selected shall be due

and payable under such redemption. All bonds so designated for redemption shall become due and payable on the date given in such published notice, and shall from such date cease to draw interest, provided that at or prior to such date there shall have been deposited with the Corporation Trustee the proper amount of money for the redemption of said bonds so designated for redemption. Upon the deposit with the Corporation Trustee of the proper amount of money for the redemption of any bond or bonds so designated, the Company and the Trustees may be privileged to consider such bond or bonds as paid and cancelled, and the Company shall be under no further obligation to the holder or holders of such bond or bonds; nor shall the Trustee be further liable or under obligation to such holder or holders except for the moneys deposited in redemption of such bonds, to be paid without interest upon their surrender.

ARTICLE VIII.

Subject to the right of suspension or revocation as provided in Article XII hereof and so long as the Company shall not be in default in the payment of any of the bonds or interest coupons secured hereby, or in the payment of taxes or other governmental assessments or charges as provided in this mortgage, or in the performance of any of the other covenants herein contained on its part to be performed,

the Trustees shall and are hereby authorized to release unto the Company and to permit the Company to cut and remove free from the lien of this mortgage, or deed of trust, any of the timber conveyed hereby, or the timber on any or all of the lands conveyed hereby, which the Company may select, when the Company shall have first paid to the Corporation Trustee Two Dollars and fifty cents (\$2.50) per thousand feet on the estimated stumpage for the timber on each description or group of descriptions which the Company then desires the right to cut, as the estimated stumpage thereon is shown on a list called "Estimated Stumpage List" signed in quadruplicate by the Grantors herein, by the Corporation Trustee and by said Lyon, Gary & Company; and one original of which list is deposited with each of the signatories thereto. Consideration for the privilege of obtaining such releases may be given by the Company in any of the following three ways:

(a) By payment in cash.

(b) By delivery to the Trustees of any of the bonds hereby secured and then outstanding, which it may have acquired; in which case, for the purpose of obtaining releases the amount of the principal of such bonds so delivered shall be treated the same as if a like amount had been paid to the Trustees in cash.

(c) By the payment of any of the bonds secured hereby,—treating only the amount

of principal paid as a consideration for releases.

In the event that the Company shall acquire and deliver bonds to the Trustees, as provided in Paragraph (b) above, the Trustees shall cancel the said bonds and coupons attached thereto so delivered and forming the consideration or part of the consideration for such releases.

In this latter case the Trustees shall keep a list of the numbers of all Bonds so used for the purpose of securing releases of portions of the timber and shall indicate on each such Bond that it has been so used,—together with the date of such use.

All money received by the Corporation Trustee under this Article shall be used for the retirement of Bonds secured hereby as provided in Article VII hereof.

The Company may enter upon any land from which the timber has been so released and may conduct logging operations thereon as it may desire; and the Company may also, at its pleasure, remove any logging railroad or other property which it may place on such land.

The Company covenants that it will keep proper books of record and account showing full, true and perfect entries of all dealings or transactions of or in relation to the plants, properties, business and affairs of the Company, and which shall at all times be open to the inspection of the Trustees or either of them,

and of Lyon, Gary & Company, or of their respective successors hereunder; and that whenever requested either by the Trustees or by Lyon, Gary & Company, or their respective successors, the Company shall and will furnish complete statements showing its financial condition, together with such other information bearing on the security of the bonds as may be requested.

ARTICLE IX.

The Company covenants and agrees that in all cases where timber is hereby conveyed, without the fee simple title to the land upon which it stands being also conveyed, the Company will and shall take and pay to the Corporation Trustee for the said timber (or pay for the same without taking it) not less than two years before the expiration of the time for removal thereof, as stated herein, two dollars and fifty cents (\$2.50) per thousand feet on the estimated amount (stumpage) of such timber as the same is shown by the "Estimated Stumpage List" referred to in Article VIII hereof.

In case the Company procures an extension of the time within which the said timber or any portion thereof may be removed, in such form that this right will in their opinion enure to the benefit of the Trustees hereunder, their successors and assigns, the obligation of the Company to take and pay for said timber, the time for removal of which may be so extended,

or to pay for it without taking, shall be accordingly extended; provided, however, that the time for removal shall never become less than two years without the Company paying the Corporation Trustee therefor.

ARTICLE X.

In case before the payment in full of all the bonds hereby secured with interest thereon, any timber hereby mortgaged or the timber on any portion of the premises hereby mortgaged (except such as may have been theretofore released under the provisions of this instrument) shall be injured or damaged by the action of fire, or by wind or the elements to an extent sufficient in the opinion of the Trustees or of Lyon, Gary & Company, to appreciably affect the value of the same as security for the payment of the bonds and coupons then outstanding, the Company shall within sixty days after the extent of such loss shall be determined, pay to the Union Trust Company for the benefit of the bondholders the sum of One (1) Dollar per thousand feet stumpage on the timber so injured or damaged, the land descriptions on which the timber has been injured or damaged being ascertained by investigation under direction of the Trustees, and the amount of timber thereon, on which the payments of One (1) Dollar per thousand feet shall be made as above expressed, being determined by the estimates shown on said "Estimated Stumpage List."

The salvage of any timber so injured or damaged, and on account of which damage payments are made as above provided, shall remain subject to the terms of this instrument notwithstanding such payments; but should the Company desire to cut and remove such timber, free from the lien or encumbrance of this instrument, it shall have the right to do so upon paying the Union Trust Company for the benefit of the bondholders, the additional sum of one dollar and fifty cents (\$1.50) per thousand feet stumpage for any such damaged timber.

ARTICLE XI.

All sums of money paid to the Trustees by the Company for the release of any portion of the timber hereby mortgaged, in accordance with any Article hereof, and all other sums which may come into the hands of the Trustees for the benefit of the holders of the bonds issued hereunder, shall be applied by the Trustees from time to time to the purchase of outstanding bonds issued hereunder at such price as may be agreed upon by the Company and the Trustees. If none of the bonds secured hereby can be so purchased the Trustees in the manner provided in Article VII hereof, shall by lot select bonds to be redeemed to an amount sufficient to approximately exhaust the funds so held by them; after which the bonds so selected shall in all things be subject to the

provisions of Article VII hereof and redeemable in the manner therein provided; such redemption shall be made on the first interest payment date occurring ninety days or more after the receipt of such funds by the Trustees.

No bond which may be paid, bought or redeemed under this or any other Article hereof shall be reissued, but the same shall be cancelled by the Trustees and delivered to the Company for preservation.

ARTICLE XII.

While the Company shall not be in default in the performance of any of the covenants in this instrument contained it may from time to time, subject to the conditions hereinafter stated, sell, free from the lien of this instrument, (a) the property by it mortgaged hereunder, lying in Lane and Linn Counties, as a whole but not otherwise, upon the payment in cash of a sum equalling One Dollar and fifty cents (\$1.50) per thousand ft. on the estimated stumpage on said lands as shown by the "Estimated Stumpage List" referred to in Article VIII hereof; (b) all or any part in parcels of forty acres or more of the property by it mortgaged hereunder, lying in Coos, Curry, Douglas and Lincoln Counties, upon the payment in cash of such sum or sums of money as the Company, the Trustees and Lyon, Gary & Company may agree upon which shall not

exceed Two Dollars and fifty cents (\$2.50) per thousand feet stumpage based upon the estimate of the stumpage on said lands as shown in the list referred to above.

Either the Trustees or Lyon, Gary & Company may, in their discretion, cause such investigation to be made of the desirability of permitting or approving of any proposed sale or sales of the property or any part thereof, in said last named four counties, in case a sale is proposed at less than the maximum price basis above in this Article provided for, as they may see fit, and the expense of such investigation shall be borne by the Company. The Trustees shall execute such instruments as may be necessary to release from the lien of this instrument any property sold, according to the provisions of this Article.

And always further provided, however, that the right of the Company to sell the land or any portion of the same, as is in this Article provided, and the right of the Company to sell or procure the release of timber, in any quantities whatsoever, as provided in other articles hereof, may be suspended or revoked by the Trustees with the concurrence of Lyon, Gary & Company, in case of litigation arising over or affecting or involving questions affecting or which may affect the title to as much as 2,000 acres of land embraced herein; or to the lumber mill plant hereby mortgaged; said suspension or revocation being optional with the Trustees

and Lyon, Gary & Company, and if the right is exercised, the same shall remain in effect until some satisfactory settlement of such litigation, or until other arrangement is made with reference thereto, which is satisfactory to them in their discretion.

The proceeds of the sale of any portion of the property covered hereby (that is the gross amount of sale less reasonable commissions and expense connected with such sale) shall be paid and turned over to the Corporation Trustee, and shall be treated by the Trustees in like manner and used by them for the same purpose as are the payments provided for in Articles VII and XI hereof.

Neither the Trustees nor Lyon, Gary & Company, shall be under any liability for anything done (or omitted to be done) by them respectively in good faith hereunder.

ARTICLE XIII.

All moneys which may be received as compensation for any property or right of the Company which may be taken by the exercise of the power of eminent domain or expropriation shall be paid to the Trustees and used for the retirement of bonds secured herein in accordance with Article VII hereof,—excepting that if such condemnation or expropriation proceedings shall be defended by the Company, its reasonable expenses and attorney's fees in

making such defense shall be deducted from any award and only the surplus paid over to the Trustees as herein provided.

But the Company shall not be entitled to have the release of any property covered hereby on account of bonds purchased with money coming through condemnation or expropriation proceedings.

ARTICLE XIV.

If the Company or its successors or assigns, shall well and truly pay or cause to be paid to the holders thereof the principal of all bonds secured hereby, or intended so to be, and the interest moneys to become due thereon respectively, at the time and in the manner specified in the said bonds and coupons, without deduction for United States, State, County, Municipal or other tax or taxes, or assessments, or other governmental charges which the Company may be required or permitted to pay or retain therefrom by any present or future law, according to the true tenor and effect thereof, or if at any time the Company shall acquire and cancel all of the bonds and interest coupons secured hereby, and pay off and discharge all obligations incurred hereunder including the payment of the reasonable charges and expenses of the Trustees, then these presents and the trusts hereby created, and all the estate, right, title and interest hereby vested in the said Trustees, their successors and assigns, in

the property hereby conveyed shall cease and determine, as fully as if this mortgage had never been executed; and in that case the said Trustees or their successors in the trust, on demand of the Company and the cancellation of the bonds and coupons hereby secured, shall execute and deliver to each of the Grantors herein all such instruments as may be necessary to discharge and cancel this mortgage as to the premises which by the said Grantors are hereby conveyed.

ARTICLE XV.

The Trustees shall have the right at any time in their discretion, but not oftener than once in six (6) months, to cause an inspection of the lands and timber herein conveyed to see whether the property mortgaged hereunder has suffered any damage, or been trespassed upon, or whether there has been any unauthorized use of the timber or of the premises hereby conveyed or of the timber thereon; and the expense of any such investigation shall be borne and paid by the Company, but the Trustees shall not be required to have such an examination made unless upon the written request of the holder or holders of some one or more of the bonds secured hereby and then outstanding, together with the written concurrence of Lyon, Gary & Company thereto, and unless such bondholder or bondholders first advance or pay to the Trustees the estimated cost of such inspection.

ARTICLE XVI.

If default shall be made in the payment of the principal of any said bonds when the same become due or in the payment of any interest money mentioned in said bonds or coupons, or any or either of them, when the same becomes due, or if the Company shall cut timber situate upon the mortgaged premises or any part thereof or cut any of the timber mortgaged hereunder, or suffer any of the same to be cut, otherwise than is herein provided, or shall fail to perform any other of the covenants in this mortgage or deed of trust contained, on its part to be performed, or to cause to be performed, and if such default shall continue for a period of sixty days, the Trustees may, and if thereunto requested in writing by the holders of ten (10) per centum in interest (but not less than \$25,000.00) of the said bonds then outstanding shall declare the principal of all the bonds hereby secured then outstanding to be, and same shall thereupon become, immediately due and payable, anything contained in said bonds or herein to the contrary notwithstanding.

ARTICLE XVII.

If default shall be made in the payment of any bond or coupons when the same become due (whether such default shall have continued for the period of sixty days or not), or if de-

fault be made in the payment of taxes, as is herein provided, and such default shall continue for the period of sixty days, the Trustees may, and upon the request in writing of the holders of ten (10) per centum in interest (but not less than \$25,000.00) of the bonds and coupons then outstanding, and upon being indemnified to their satisfaction for any expenses and liabilities which they may incur, shall, as the agents and attorneys in fact of the Grantors herein enter into and take full possession of the lands and all other property hereby mortgaged (except such as may have been theretofore released under the provisions of this instrument) and hold, use, manage, maintain and operate the same; collect and receive all moneys and revenues arising from such management and operations, and apply the same, first to the expenses of such operation, including reasonable compensation for their own services and for the services of their counsel, attorneys, agents and servants; second, to the maintenance, management and operation of the property, including the payment of taxes, assessments and other governmental charges, and third, to the payment pro rata of any amount, principal or interest, that may be due and in default upon said bonds, together with interest on overdue installments of interest, but not to the payment of any bond or coupon the time for payment of which may have been extended. In case all of the said payments

shall be made in full, the Trustees after making such provision as they may deem advisable for the next semi-annual installment of interest and principal, shall restore to the respective Grantors the possession of the premises by them hereby conveyed. This power of entry may be exercised as often as occasion therefor shall arise pending the trust; and this power of attorney is and shall be irrevocable.

ARTICLE XVIII.

In case (1) default shall be made in the due and punctual payment of any interest on any bond hereby secured, and any such default shall continue for a period of sixty days; or in case (2) default shall be made in the due and punctual payment of the principal of any bond hereby secured; or in case (3) the Company shall cut timber situate upon said mortgaged premises or any timber mortgaged hereunder or suffer the same to be cut otherwise than is herein provided and such default shall continue for a period of sixty days; or in case (4) default shall be made in the due observance or performance of any other covenant, condition or agreement herein required to be kept or performed by the Company and such default shall continue for a period of sixty days, then and in every such case the Trustees, or either of them, (a) may enter upon and take possession of the mortgaged property, or any part

thereof, collect and receive all rents, issues, income and profits therefrom and operate and conduct the business of either or both of the grantors to the same extent and in the same manner as the grantors might do; (b) may cause this mortgage to be foreclosed and the mortgaged property, or any part thereof, to be sold; (c) may proceed to protect and enforce the rights of the Trustees and the bondholders hereunder whether for specific performance of any covenant, condition or agreement herein contained or in aid of the execution of any power herein granted or for the enforcement of such other appropriate legal or equitable remedy as may, in the opinion of counsel, be most effectual to protect and enforce the rights aforesaid; (d) shall be entitled as of right without notice to the appointment of a receiver of the mortgaged property, or any part thereof, and each of the grantors does hereby irrevocably consent to such appointment.

ARTICLE XIX.

The Grantors herein covenant that they will not apply for or avail themselves of any injunction or stay of proceedings, or plead, or in any way take advantage of any valuation law, appraisement law, or any other law, whether now in force or which may hereafter be enacted, which may in any way alter, impair, or impede the rights or remedies of the holders of

the bonds issued hereunder, or of the Trustees as herein provided, or which shall affect or change the time, place, means or mode of perfecting or enforcing such rights or remedies; and they hereby expressly waive all benefit and advantage of any and all such laws.

ARTICLE XX.

Upon any foreclosure sale of the property hereby mortgaged, or any part thereof, the purchaser in making payment therefor, shall be entitled, after paying in cash so much as shall be necessary to cover the cost and expenses of the sale and of the proceedings incident thereto, and all other charges that may be decreed to be paid in cash, to appropriate and use toward the payment of the remainder of the purchase price any of the bonds or coupons issued hereunder, and entitled to participate in the proceeds of such sale, reckoning each bond or coupon so appropriated and used at such sum as shall be payable thereon out of the net proceeds of the sale; and proper receipts shall thereupon be given to the holders of such bonds or coupons for the amount so payable thereon, and the bonds and coupons, if the net proceeds of the sale shall be sufficient to pay them in full, shall be delivered up to the person making the sale under the decree of the court for cancellation; or if the proceeds of the sale shall not be sufficient to pay such bonds

or coupons in full, then proper endorsement shall be made thereon of the amount so paid and they shall then be returned to the holders.

ARTICLE XXI.

Upon any foreclosure sale of property hereby mortgaged the property shall be sold either as a whole or in parcels at the option of the Trustees conducting the foreclosure proceedings; and if in parcels the same shall be divided as shall be considered for the best interests of the bondholders by the said Lyon, Gary & Company, as may be evidenced in writing addressed to the Trustees or to the Court; or in case of such foreclosure sale the property may at the option of the Trustees be offered first by parcels designated as above, and then as a whole, that offer producing the highest price for the entire property to prevail—any law statutory or otherwise to the contrary notwithstanding. And the Grantors herein hereby expressly waive the right to require any such sale to be made by the acre, or in parcels, or the right to select such parcels.

In case any foreclosure sale of the premises hereby mortgaged should fail to realize sufficient funds for the payment in full of the entire debt hereby secured, including all authorized expenses, court costs, attorneys' fees, et cetera, the balance remaining unpaid shall be and remain a valid, subsisting and enforceable

obligation of and against the Company, and a deficiency judgment against the Company may be taken thereon, and the Court may direct in the decree of foreclosure of this mortgage that any balance which may remain unsatisfied after the sale of the mortgaged premises, and the application of the proceeds of said sale toward the payment of the mortgage indebtedness, together with costs and interests, shall be satisfied from any other property of the Company.

In case the proceeds of foreclosure sale of the premises hereby mortgaged should be insufficient to satisfy in full the mortgage debt hereby secured and then existing, together with costs, attorneys' fees and expenses of foreclosure and sale, then and in such event the Trustees herein named, or any successor to such Trustees, are hereby authorized to commence suit in any court of record (State or Federal) in the State of Illinois or in any court of record having jurisdiction of the amount involved, in any other State of the United States, against the Company to recover judgment for the full amount of such deficiency with interest thereon at the rate of six per centum per annum from the date of such foreclosure sale, together with attorneys' fees and costs of court, and the then President of the said Lyon, Gary & Company, is hereby irrevocably appointed the attorney in fact of the Company to enter the appearance of the Company in said suit, and to confess judgment in said suit in favor of the plaintiff

therein and against the Company for the full amount of said deficiency, with interest, court costs, and attorneys' fees, as aforesaid, and in any suit upon such judgment or upon any renewal thereof, to recover the amount of such judgment or the renewal of such judgment, to likewise enter the appearance of the Company in any such suit and to confess judgment thereon for the amount of said judgment or renewal thereof with interest thereon at the rate aforesaid with costs of court, and it is agreed that this clause of this mortgage shall be deemed a separate and independent clause of this instrument, and shall be treated and deemed as a contract entered into between the parties hereto to be governed by the laws of the State of Illinois to the same effect as if this instrument had been entered into in said State and were to be performed there.

ARTICLE XXII.

In case of a foreclosure of this mortgage or deed of trust the proceeds shall be applied:

First, to the payment of all expenses of protecting and enforcing this trust, including reasonable compensation to the trustees, and all expenses incurred by them in connection herewith, and including reasonable attorneys' fees for any service that may be rendered either in protecting this trust or enforcing the same.

Second, to the payment pro rata of all the

bonds and interest coupons secured hereby without preference of bonds over coupons or coupons over bonds, subject however, to the provisions of Article VI hereof; but only coupons that have matured and the earned portion of those next maturing shall be entitled to participate in such proceeds; and,

Third, the balance, if any there be, shall be paid to the Company or its order.

ARTICLE XXIII.

No delay or omission of the Trustees, or of any holder of bonds hereby secured, to exercise any right of power accruing upon any default, shall impair any such right or power, or shall be construed to be a waiver of any such default, or an acquiescence therein; and every such power and remedy given by this instrument to the Trustees, or to the bondholders, may be exercised from time to time and as often as may be deemed expedient, by the Trustees or by the bondholders.

ARTICLE XXIV.

Except as may be herein expressly provided to the contrary, no right or remedy herein conferred upon or reserved to the Trustees shall be or is intended to be exclusive of any other right or remedy, but every such right or remedy herein provided shall be cumulative, and

shall be in addition to every other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute; and every power and remedy given by this instrument to the Trustees may be exercised from time to time and as often as may be deemed expedient. No delay or omission of the Trustees to exercise any right or power arising from any default shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein.

ARTICLE XXV.

Every holder of any of the bonds secured hereby accepts the same subject to the express understanding and agreement that every right of action, whether at law or in equity, under this instrument, is vested exclusively in the Trustees, and under no circumstances shall the holder of any bonds or coupons, or any number of such holders, have any right to institute any action at law or any suit or proceeding in equity, or otherwise, under this instrument, or upon any bond or coupon secured hereby, for the purpose of enforcing any covenant or remedy herein or in said bonds or coupons contained, or to foreclose this mortgage, except in case of refusal on the part of the Trustees to comply with any duty imposed on them in respect of any such covenant of foreclosure after demand by the holder or holders of such bonds

or coupons and the production of such bonds or coupons by the holder thereof to the Trustees, or the furnishing by such holders of other evidence satisfactory to the Trustees that they are such holders, and the giving to the Trustees of indemnity satisfactory to them, securing them against liability by reason of the action requested; but no inaction by said Trustees, upon any such request shall be deemed a refusal until after the expiration of a reasonable time and not less than twenty (20) days for the consideration thereof by said Trustees.

In every case in which the Trustees are authorized or require, under any provision of this instrument, to take any action upon the request of the holders of said bonds, the Trustees shall have the right to require the person or persons presenting such request, to furnish proof as to the ownership of the said bonds presented by him or them, by affidavit or other evidence satisfactory to the Trustees; and if such proof be so required, the said request shall be without effect until such proof shall be furnished.

ARTICLE XXVI.

So long as there shall be no default in any of the covenants in this instrument contained, the Grantors shall continue in the possession of all the property embraced herein, and by them respectively hereby conveyed to the Trustees.

ARTICLE XXVII.

The Trustees herein named, or either of them, may resign or discharge themselves of and from the trust hereby created, by notice in writing to be given to the Company and published once a week for two consecutive weeks in a paper of general circulation published in the said City of Chicago, at least thirty days before such resignation shall take effect, or such shorter time as the party of the first part may accept as sufficient notice; but such resignation shall take effect immediately upon the appointment of new Trustees herein in place of the Trustees resigning if such new Trustees shall be appointed before the time limited by such notice.

The corporation of Lyon, Gary & Company may in like manner resign or discharge itself of the duty herein imposed upon it, in which case successors to its duties and authority shall be selected and appointed in like manner as successor trustees hereunder may be selected and appointed.

ARTICLE XXVIII.

In case the trust created hereby shall become vacant by reason of the resignation, incapacity or inability to act of the said Trustees, or either of them, or of any successor trustee, or otherwise (except as provided in the following Article XXIX hereof), it shall be lawful for

the holders of the majority in amount of the bonds then outstanding to appoint a successor, or successors by a writing by them signed, or, for any judge of the United States Circuit Court for the Ninth Judicial Circuit in default of such appointment, to appoint such successor, or successors on the application of the holders of not less than one-tenth in amount of the said bonds then outstanding,—one trustee always to be a private person, and the other to be a Trust Company, organized under the laws of the State of Illinois.

And upon any such appointment being made, and the said trust being accepted, such successors or substitute Trustees shall without further act or deed, become vested with all and singular the estate, rights and powers, and shall perform all the duties of Trustees, in like manner, and with the same effect as if named in this instrument as Trustees.

ARTICLE XXIX.

The holders of a majority in amount of the outstanding bonds secured by this instrument, provided the Company shall join (or the holders of three-quarters in amount of the bonds then outstanding hereunder without such joinder) may, by a writing under their respective hands and seals, change the Trustees and appoint new Trustees, which instrument, when recorded in the proper offices for recording

deeds and mortgages in the Counties of Coos, Curry, Douglas, Lane, Lincoln and Linn, State of Oregon, (and on payment to said Trustees of all charges and compensation to which they shall at that time be entitled hereunder) shall ipso facto, and without any further action, substitute such new Trustees in the place of the Trustees herein named, or in place of any successor Trustees, with all the rights, powers and privileges granted to the said Trustees, under this instrument, and no conveyance from the old Trustees to the said Trustees thus appointed shall be necessary to convey the trust premises to such new Trustees, but the old Trustees shall and will upon the request of such new Trustees, execute any conveyance necessary or proper in order to vest the said premises in such new Trustees.

The Corporation Trustee, with the written concurrence of Lyon, Gary & Company shall also have the right to remove Frederick H. Rawson as a Trustee hereunder, and to appoint another person as Trustee in his place and stead, by a writing signed and acknowledged by both said Union Trust Company and Lyon, Gary & Company, and such writing when recorded in the proper offices for recording deeds and mortgages in the counties above named shall ipso facto and without further action substitute such new Trustee in the place of the said Frederick H. Rawson, with all the rights, powers and privileges granted to the

said Frederick H. Rawson under this instrument, and no conveyance from said Frederick H. Rawson to the new Trustee so appointed shall be necessary to vest in said new Trustee the rights, title, interest and authority theretofore held by said Frederick H. Rawson.

And likewise in case of the death or resignation, or the incapacity or inability of the said Frederick H. Rawson, to act as Trustee hereunder, the said Union Trust Company and said Lyon, Gary & Company, may in like manner appoint another person in his place and stead, and succeeding to all the title, rights, powers and privileges herein or hereby conferred upon, or vested in the said Frederick H. Rawson—this being an alternative method of filling such vacancy, in addition to that provided in Article XXVIII hereof.

ARTICLE XXX.

It is expressly understood and agreed that no obligation whatever rests upon the Trustees to see to the recording of this instrument, nor to do any act suitable or proper to be done for the continuing of the lien created hereby, nor to give notice of the existence of such lien, nor to do any act which, by the terms of this instrument, is required to be done by some party hereto other than said Trustees. Said Trustees shall be under no duty or obligation, not affirmatively expressed on the face of these presents. Nor are said Trustees required by

this instrument to take any action nor do any act made requisite by statute for protecting, perpetuating or keeping good the lien of these presents upon the land, premises and property or any part thereof, hereby conveyed or intended so to be; nor shall the said Trustees be held responsible for the consequence of any breach by the Company or by its agents or servants, of any of the covenants herein or in said bonds contained, on the part of said party of the first part to be kept and performed, nor for or on account of any act of the Company or of its agents or servants, of any kind, character or nature whatsoever. Said Trustees shall have no responsibility as to the validity of this mortgage or deed of trust, nor as to the execution or acknowledgment hereof, nor as to the amount or extent of the security afforded by the property covered hereby; nor shall said Trustees in any other manner, or under any circumstances, be answerable or accountable, except for bad faith; it being expressly understood and agreed that the recitals herein contained are made by and on behalf of the said parties of the first and second parts and that the Trustees are not responsible for the correctness thereof.

Said Trustees shall not be under any obligation to take any action toward the execution or enforcement of the trust hereby created, which in their opinion, would be likely to involve them in expense or liability, nor to defend any suit,

unless one or more of the holders of the bonds hereby secured shall, as often as required by the said Trustees, furnish them with reasonable and satisfactory indemnity against such expense or liability; nor shall the said Trustees be required to take notice of any default hereunder, unless notified in writing of such default by the holders of at least ten (10) per centum of the amount of the bonds hereby secured and then outstanding, nor to take any action in respect of any default unless requested to take such action by writing signed by the holders of bonds in the amount hereinbefore in this Article provided, and be tendered indemnity as aforesaid, anything herein contained to the contrary notwithstanding; but neither any such notice or request, nor this provision therefor, shall affect any discretion herein given to the said Trustees to determine whether or not they will take action in respect to such default, or to take action without such request.

The Trustees shall be protected in acting upon any request, consent, certificate, bond, affidavit, or other paper or document believed by them to be genuine and to be signed by the proper party or parties.

Said Trustees shall be entitled to be reimbursed for all proper outlays of every sort and nature by them incurred, or for which they may be obligated in the discharge of this trust, and to receive a reasonable and proper compensation for any duties that they may at any time

perform in the discharge of the same, and shall have a lien therefor upon the mortgaged property, prior and paramount to the bonds hereby secured.

All expenses, fees, taxes and disbursements of any kind which have been made, or which may be made or incurred by the Trustees in order to comply with any law or laws of the State of Oregon respecting foreign corporations, or relating to the right, authority, or qualification of the Trustees to accept this trust and perform their duties hereunder, and all liabilities and expenses which may be incurred by them, and all penalties, judgments or forfeitures which may be assessed, levied, or recovered against the Trustees for failure to comply with any such law or laws, shall be a charge and shall constitute a lien upon the mortgaged property and premises prior and paramount to the bonds hereby secured. In case at any time it shall be necessary and proper for the said Trustees, or their successors, to make any investigation respecting any facts, preparatory to taking or not taking any action or doing or not doing anything under this deed of trust, the certificate of the said party of the first part under its corporate seal and sworn to by its President, or Secretary, shall be sufficient evidence of such fact to protect the said Trustees or their successors, in any action that they may take or decline to take by reason of the supposed existence of such fact.

Unless it shall in writing expressly agree to do so, the Trust Company shall not be obligated to pay interest on any sum of money which may be deposited with it under any of the provisions of this instrument, but if the Trust Company shall in writing expressly agree to pay interest on any such deposits, the amount of such interest shall be credited to or paid into the fund for retiring bonds as provided for in Article VII and other Articles hereof.

ARTICLE XXXI.

Except and unless it be upon his individual endorsement or guarantee, no recourse under any obligation, covenant or agreement of this instrument, or of any bond or coupon hereby secured, shall be had against any incorporator, stockholder, officer or director of the Company, either directly or through the Company by virtue of any statute, Constitutional provision, or otherwise, it being expressly agreed and understood that this mortgage and the obligations hereby secured are solely corporate obligations, and that no personal liability whatever (except it arise by individual endorsement or guarantee) shall attach to, or be incurred by the incorporators, stockholders, officers or directors of the Company, or any of them, under or by reason of any of the obligations, covenants, or agreements contained in this instrument, or in any of the bonds or coupons se-

cured hereby, or implied therefrom, and that except as above provided, any and all personal liability, either at common law or civil law, or in equity, or by statute, of every such incorporator, stockholder, officer or director, is hereby expressly waived by each and every person who may become the owner of any one or more of the bonds secured hereby, as a condition of, and in consideration for the execution and issue of this mortgage and such bonds and coupons.

ARTICLE XXXII.

Union Trust Company is made a trustee hereunder in the contemplation and belief that it is now and will continue to be lawful for said corporation to act as Trustee hereunder and perform all the duties herein imposed upon or entrusted to it as such Trustee without the necessity of said corporation qualifying under the Statutes of the State of Oregon to do business in that State, and without the necessity of said corporation complying with the requirements of any other Oregon statute or law now in force or which may hereafter be enacted; and should it prove at any time that said Union Trust Company is not now legally entitled to accept this Trust, act as Trustee hereunder and perform all the duties imposed hereunder and exercise all the rights conferred hereby; or if for any reason, by the enactment of statutory law, by the failure to comply with any law, or

otherwise it shall subsequently be or become unlawful for said Union Trust Company to so act, then and in that event the entire rights, duties and authority herein intended to be granted to and conferred upon said Union Trust Company and Frederick H. Rawson jointly or upon either of them as Trustees hereunder, shall immediately and ipso facto vest in and be held and exercised by said Frederick H. Rawson alone, and his successor or successors.

And in case, at any time when action hereunder may be necessary or authorized, it shall be impossible or illegal or be deemed impossible or illegal by said Union Trust Company, or by its successor, as Trustee, for it, the Union Trust Company, or such successor Trustee, to do or perform any act or acts necessary or proper for it to do as Trustee under the terms of this instrument, then and in such case the said Frederick H. Rawson or his successor for the time being shall have full power and authority to perform all and every such act or acts of whatsoever nature as fully as if he had alone in the first instance been herein specifically authorized thereunto; and in that event any and all acts so done by the said Frederick H. Rawson, Trustee, or his successor in the Trust, shall have the same effect as if done by the said Trustee jointly with Union Trust Company, Trustee, or its successor trustee—excepting, always, that no instrument given to

discharge or cancel this mortgage or deed of trust under Article XIV hereof shall be effective unless signed by both the Trustees named herein or by their successors.

ARTICLE XXXIII.

The word "Trustees" as used in this instrument shall be held and construed to mean the Trustees herein named or their successor or successors for the time being in the trust hereby created; the words "the Company" shall be held and construed to mean Linn and Lane Timber Company, its successors and assigns; and the words "the Grantors" shall be held and construed to mean and include Linn and Lane Timber Company, and C. A. Smith Lumber and Manufacturing Company, and their successors and assigns.

And wherever the name "Lyon, Gary & Company" is used herein, it shall be held and construed to mean Lyon, Gary & Company, the present Illinois corporation, or such person, firm or corporation as may succeed said corporation according to the terms of this instrument.

ARTICLE XXXIV.

This instrument and the negotiations leading up thereto, and any that may follow in carrying out the purposes of this bond issue and the negotiation and sale of the bonds issued hereunder, are hereby declared to be and shall

in all things be deemed and treated as an Oregon contract entered into between the parties hereto and the purchaser or holders of all or any portion of the bonds issued hereunder, and shall be governed by the laws of the said State of Oregon, to the same effect as if this contract had been executed in that State, and all the negotiations above described, occurring both before and after the execution of this instrument (instead of but a portion of them) had been had in that State.

And each Article of this instrument is hereby declared to be and shall be held to be a separate and independent clause thereof.

ARTICLE XXXV.

Union Trust Company, and Frederick H. Rawson, hereby accept the trusts herein and hereby declared and created, and agree to perform the same upon the terms and conditions hereinbefore set forth.

ARTICLE XXXVI.

For convenience in recordation this instrument is executed in six counterparts, each of which shall for all purposes be considered and treated as an original.

IN WITNESS WHEREOF, the said LINN AND LANE TIMBER COMPANY; the said C. A. SMITH LUMBER AND MANUFACTURING COMPANY, and the said UNION TRUST COMPANY, have caused this instrument to be executed in their corporate

names by their respective Presidents or Vice-Presidents, and their corporate seals to be hereunto affixed and attested by their respective secretaries; and the said Frederick H. Rawson has signed and sealed the same, all in the presence of witnesses, on the date first herein written.

LINN AND LANE TIMBER COMPANY,

By C. A. SMITH,

Its.....President.

Attest:

CHARLES L. TRABERT,

Its Secretary.

Witness to the execution of this
instrument by Linn and Lane

Timber Company:

[CORPORATE SEAL]

JOHN LIND,

A. UELAND.

C. A. SMITH LUMBER AND MANUFACTURING
COMPANY,

By C. A. SMITH,

Its.....President.

Attest:

CHARLES L. TRABERT,

Its Secretary.

Witness to the execution of this
instrument by C. A. Smith Lum-

ber and Manufacturing Company:

JOHN LIND,

[CORPORATE SEAL]

A. UELAND.

UNION TRUST COMPANY,
By FREDERICK RAWSON,
[CORPORATE SEAL] *Its.....President*

Attest:

RUFUS F. CHAPIN,
Its Secretary.

Witness to the execution of this
Instrument by Union Trust Company:

GAIL DRAY,
JOHN U. SWITZER.

FREDERICK H. RAWSON. [SEAL]

Witness to the execution of this
instrument by Frederick H. Raw-
son:

GAIL DRAY,
JOHN U. SWITZER.

STATE OF MINNESOTA, }
COUNTY OF HENNEPIN, } ss.

On this 9th day of June, 1910, before me, W. M. Jerome, a Notary Public in and for said State and County, appeared C. A. Smith, to me personally known, who being duly sworn, did say that he is the.....President of LINN AND LANE TIMBER COMPANY, a Minnesota corporation, and that the seal affixed to said foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation

by authority of its Board of Directors, and said C. A. Smith acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said State and County, this the day and year first in this my certificate written.

My Notarial Commission is dated June 26, 1907, and expires June 26, 1914.

W. M. JEROME,

*Notary Public, Hennepin County,
State of Minnesota.*

Certificate of Magistracy attached.

[NOTARIAL SEAL]

STATE OF MINNESOTA, {
COUNTY OF HENNEPIN. } ss.

On this 9th day of June, 1910, before me, W. M. Jerome, a Notary Public in and for said State and County, appeared C. A. Smith, to me personally known, who being duly sworn, did say that he is the.....President of C. A. SMITH LUMBER AND MANUFACTURING COMPANY, a Minnesota corporation, and that the seal affixed to said foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said C. A. Smith acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said State and County, this the day and year first in this my certificate written.

My Notarial Commission is dated June 26th, 1907, and expires June 26th, 1914.

W. M. JEROME,

[NOTARIAL SEAL]

*Notary Public, Hennepin County,
State of Minnesota.*

STATE OF ILLINOIS, }
COUNTY OF COOK. } ss.

On this 11th day of June, 1910, before me, H. L. Benson, a Notary Public in and for said State and County, appeared Frederick H. Rawson, to me personally known, who being duly sworn, did say that he is the.....President of UNION TRUST COMPANY, an Illinois corporation, and that the seal affixed to said foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Frederick H. Rawson acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said State and County, this the day and year first in this my certificate written.

My Notarial Commission is dated Oct. 12, 1906, and expires Oct. 12, 1910.

H. L. BENSON,

*Notary Public, Cook County,
State of Illinois.*

Certificate of Magistracy attached.

[NOTARIAL SEAL]

STATE OF ILLINOIS, }
COUNTY OF COOK. } ss.

Before me, H. L. Benson, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared the above named Frederick H. Rawson, to me known to be the individual described in and who executed the above instrument, and the said Frederick H. Rawson acknowledged that he executed the same, this 11th day of June, 1910.

My Notarial Commission is dated Oct. 12, 1906, and expires Oct. 12, 1910.

Witness my hand and official seal at office in Chicago, Cook County, Illinois, on the date above written.

H. L. BENSON,

*Notary Public, Cook County,
State of Illinois.*

[NOTARIAL SEAL]

STATE OF OREGON, }
COUNTY OF COOS. } ss.

I hereby certify that the within instrument was filed for record June 16, 1910, at 2 o'clock and.....minutes P. M. and recorded June 16, 1910, in book 25 of Mortgages in page 438—Indexed in Chattel Mortgages Vol. 5.

JAMES WATSON,
County Clerk.

STATE OF OREGON, }
COUNTY OF CURRY. } ss.

I certify that the within was received and duly recorded by me in Curry County Records Book of Mortgages Vol. 5 Page 461 to 479 on the 18th day of June, 1910, filed June 18th, 1910, at 9 A. M.

GEO. W. SMITH,
County Clerk.

STATE OF OREGON, }
COUNTY OF DOUGLAS. } ss.

I hereby certify that the within was recorded be me in Douglas County Records, Book of Mortgages Vol. 27 Pages 172 to 196 on the 15th day of June, 1910.

E. H. LENOX,
County Clerk.

Filed June 15, 1910 at 1:15 P. M.

E. H. LENOX,
County Clerk.

STATE OF OREGON, }
LANE COUNTY. } ss.

I hereby certify that the within instrument was filed for record this 21 day of June, 1910, at 2:30 o'clock P. M. and duly recorded in Book 29 page 329 Lane County Mortgage records.

E. U. LEE,
County Clerk,
Per J. A. FOUNTAIN,
Deputy.

STATE OF OREGON, }
COUNTY OF LINCOLN. } ss.

I hereby certify that the within instrument was received for record on the 15th day of June, 1910, at 8 o'clock A. M. and recorded in Book 10 on page 102 record of Mortgages of said County. Witness my hand and seal of County affixed.

IRA WADE,
County Clerk.
By RUTH OFSTEDAHL,
Deputy.

STATE OF OREGON, }
COUNTY OF LINN. } ss.

I hereby certify that the within was received and duly recorded by me in Linn County Records, Book of Mtgs. Vol. 51, Pages 158 to 202 on the 15th day of June, 1910 at 8:00 o'clock A. M.

GRANT FROMAN,
Recorder of Linn County, Oregon.

FIRST MORTGAGE

SOUTHERN TIMBER COMPANY
TO
UNION TRUST COMPANY
AND
JOHN K. LYON
TRUSTEES,

DATED NOVEMBER 17, 1910.

TO SECURE THE PAYMENT OF \$200,000 SIX PER CENT
GOLD BONDS OF SOUTHERN TIMBER COMPANY,
DATED NOVEMBER 19, 1910.

THIS INSTRUMENT, made and entered into this seventeenth day of November, A. D., 1910, by and between *Southern Timber Company*, a corporation organized and existing under and by virtue of the laws of the State of Georgia (sometimes hereinafter for brevity called the Company), party of the first part, and *Union Trust Company*, a corporation organized and existing under and by virtue of the laws of the State of Illinois (sometimes hereinafter referred to as the Corporation Trustee), and *John K. Lyon*, of Hubbard Woods, Cook County, State of Illinois, as Trustees, parties of the second part,

WITNESSETH :

WHEREAS, Southern Timber Company is the owner of certain timber, lands, logging rights, logging plant and equipment, logging railroad and equipment and other property in Liberty County, State of Georgia; and has full power and authority under its charter and the laws of the State of Georgia to borrow money for the transaction of its business in the exercise of its corporate powers, to issue its negotiable bonds to evidence the indebtedness thus incurred, and to mortgage its property to secure the payment of the same; and

WHEREAS, by the unanimous action of its Board of Directors, concurred in by the owners and holders of its entire capital stock (both of which actions have been duly taken and expressed according to law) the Company has

resolved to borrow money for its corporate purposes, and to issue and dispose of its negotiable mortgage bonds therefor; and to secure the payment of said bonds, together with interest thereon, by a mortgage or deed of trust in the form of this instrument upon its property hereinafter described, together with the rents, issues and profits of the same, and which mortgage or deed of trust shall be a first lien thereon; and

WHEREAS, by unanimous action of its Board of Directors, concurred in by the owners and holders of its entire capital stock (both of which actions have been duly taken and expressed according to law) the Company has further resolved that said bonds shall bear date November 19, 1910, shall be for the aggregate amount of Two Hundred Thousand (200,000) Dollars, shall be 200 in number consecutively numbered, and in denominations of \$1,000, and which bonds shall become due and payable as follows, to wit:

Bonds numbered.	Maturities.
1 to 33 inclusive.....	on May 15, 1911;
34 to 66 inclusive.....	on November 15, 1911;
67 to 99 inclusive.....	on May 15, 1912;
100 to 132 inclusive.....	on November 15, 1912;
133 to 165 inclusive.....	on May 15, 1913;
166 to 200 inclusive.....	on November 15, 1913;

all of which bonds shall be payable to bearer (unless registered), in gold coin of the United States of America of the standard of weight and fineness existing on November 19, 1910,

notwithstanding any law which may now or hereafter make anything else legal tender in payment of debts, at the banking house of Union Trust Company in the City of Chicago, State of Illinois, together with interest on said bonds at the rate of six (6) per centum per annum, which interest shall be similarly payable in like gold coin May 15, 1911, and semi-annually thereafter on the fifteenth day of November and the fifteenth day of May in each year until the principal sum shall be fully paid, upon the presentation and surrender of the coupons annexed to each of said bonds as they respectively become due, at the place of payment of the principal of said bonds; that the said bonds shall be executed in the name of the Company by its President (or its Vice President) and Secretary, with its corporate seal affixed, and that the coupons issued to evidence the interest upon said bonds until their maturity shall be authenticated by the engraved facsimile signature of the present Treasurer of the Company; and that each of said bonds, and each of the coupons thereto attached, and the Trustee's and Registrar's certificates endorsed thereon shall be substantially in the forms following, to wit:

UNITED STATES OF AMERICA

State of Georgia.

\$1000 Number \$1000

SOUTHERN TIMBER COMPANY

First Mortgage Six Per Cent Sinking Fund
Gold Bond.

For value received, SOUTHERN TIMBER COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Georgia, and having its principal office in Liberty County, said State, hereby promises to pay to the bearer hereof, or in case this bond be registered then to the registered holder hereof, One Thousand Dollars on the fifteenth day of, 19...., and to pay interest thereon from the date hereof at the rate of six (6) per centum per annum, payable semiannually, on the fifteenth day of May and the fifteenth day of November in each year, upon the presentation and surrender of the coupons hereto annexed as they severally become due, both principal and interest being payable at the banking house of Union Trust Company in the City of Chicago, State of Illinois, in gold coin of the United States of America, of or equal to the present standard of weight and fineness, notwithstanding any law which may now or hereafter make anything else legal tender for the payment of debts, without deduction for any United States, State, County, Municipal or other tax or taxes, or governmental or other charges, which the maker hereof, or its succes-

sors or assigns, or the Trustees or either of them hereinafter mentioned, may be required or permitted to pay, or to deduct or retain therefrom under or by reason of any present or future law.

This bond is one of a series of 200 bonds in denominations of \$1,000, numbered consecutively from 1 to 200, both numbers inclusive, and which are due and payable as follows: Bonds numbered 1 to 33 inclusive, May 15, 1911; Bonds numbered 34 to 66 inclusive November 15, 1911; Bonds numbered 67 to 99 inclusive May 15, 1912; Bonds numbered 100 to 132 inclusive November 15, 1912; Bonds numbered 133 to 165 inclusive May 15, 1913; and Bonds numbered 166 to 200 inclusive November 15, 1913; all issued under the provisions of and all equally secured by a first mortgage or deed of trust dated November 17, 1910, duly authorized, executed, acknowledged and delivered by the maker hereof to Union Trust Company of Chicago, Illinois, and John K. Lyon, of Hubbard Woods, Cook County, Illinois, as Trustees, which mortgage or deed of trust conveys timber, lands, logging rights, a logging railroad, logging equipment and other property in Liberty County, Georgia, and which has been properly recorded in said county. For a more complete description of the property thereby mortgaged; the nature and extent of the security; the description of the bonds thereby secured and the rights of the holders thereof under the

same and the terms and conditions upon which said bonds are issued, reference is hereby made to said mortgage or deed of trust with the same force and effect as if the provisions thereof were herein fully set forth.

This bond may be redeemed in the manner provided in said mortgage or deed of trust, at any interest payment date before its date of absolute maturity upon payment to the holder hereof, or to said Union Trust Company, Trustee, for the benefit of such holder, of the principal hereof, together with all interest due hereon at the date fixed for such redemption, and a premium of three (3) per centum on the principal hereof; and in event of default as defined in the aforesaid mortgage or deed of trust, the principal of this bond may be declared and become due and payable in the manner and with the effect therein provided.

This bond shall pass by delivery unless registered, but it may be registered as to the principal hereof in the holder's name on registration books kept for that purpose by said Union Trust Company, Registrar, such registry being noted hereon by said Registrar, after which only such registered holder shall be entitled to receive the principal hereof; and if registered no subsequent transfer hereof shall be valid, unless made on said Registrar's books and similarly noted hereon; but the same may be discharged from registry by transfer to bearer, after which it shall be transferable by delivery.

It may be registered again, however, in the manner above provided. The registry of this bond shall not impair the negotiability of the coupons, but they shall continue to be transferable by delivery notwithstanding such registration.

The maker hereof hereby consents in case of the foreclosure of the mortgage or deed of trust given to secure the payment of the said bonds, to the entry of a deficiency judgment against it, and that the same may be effected by appropriate order or decree in any such foreclosure proceedings.

This bond shall not be obligatory for any purpose until it shall have been authenticated by the certificate of Union Trust Company, one of the Trustees under said mortgage or deed of trust, endorsed hereon.

IN WITNESS WHEREOF, SOUTHERN TIMBER COMPANY has caused this instrument to be signed in its corporate name by its President, and its corporate seal to be hereunto affixed, and attested by its Secretary; and the interest coupons hereto attached to be authenticated by the facsimile signature of its Treasurer, this the nineteenth day of November, 1910.

SOUTHERN TIMBER COMPANY

By

Attest:

Its President.

.....

Its Secretary.

\$30

COUPON

On the fifteenth day of, 19....
 SOUTHERN TIMBER COMPANY, a Georgia corporation, promises to pay to bearer Thirty (30) Dollars in gold coin of the United States of America of the standard existing on November 19, 1910, at the banking house of Union Trust Company in the City of Chicago, State of Illinois, without deduction for taxes or other governmental assessments or charges, being six months' interest due that date on its first mortgage gold bond of November 19, 1910.

No.....

.....

Treasurer.

TRUSTEE'S CERTIFICATE.

This is to certify that this is one of the bonds described in and secured by the mortgage or deed of trust within referred to.

UNION TRUST COMPANY, Trustee,

By

.....

REGISTRATION

NOTICE: There must be no writing in this

form except by the Registrar, the Union Trust Company.

DATE OF REGISTRATION	NAME AND ADDRESS REGISTERED OWNER	SIGNATURE OF REGISTRAR
.....
.....
.....
.....
.....
.....
.....
.....
.....

AND WHEREAS, all things necessary to make said bonds when executed by the Company and certified by the Corporation Trustee, a valid, binding, legal, negotiable obligation of the Company, and this instrument a valid mortgage to secure the payment thereof, have been done, happened and been performed:—

NOW, THEREFORE, for and in consideration of One Dollar in hand paid by the parties of the second part to the party of the first part, the receipt whereof is hereby acknowledged, and the other considerations herein expressed, and in order to secure the payment of the principal and interest of all of said bonds above described, at any time outstanding, according to their tenor and effect, and to secure the performance of all the covenants and conditions herein contained, and to declare the terms and conditions upon which said bonds are issued or to be issued, and for and in consideration of

the acceptance or purchase of said bonds or any of them, by whomsoever may be or become the holders thereof, the said Southern Timber Company has executed and delivered these presents, and hereby grants, sells, bargains, aliens, releases, conveys, assigns, warrants, transfers, and mortgages unto said Union Trust Company and John K. Lyon, Trustees, their successors and assigns, with full subrogation to any and all warranties or rights in action against previous vendors or holders or other persons, the following described timber, lands, logging rights, logging railroad, logging equipment and railroad equipment and other property, all now lying, being and situate in Liberty County, State of Georgia, to wit:

The following real, personal and mixed property, lying in the 15th and in the 1458th Districts, Georgia Militia, of Liberty County, State of Georgia, to wit:

First: The railroad owned by the Company and running from the Byers-Allen Lumber Company's mill at Allenhurst, toward and into a portion of the property hereinafter conveyed;

Second: All the railroad rail owned by the Company, being about fifteen miles of new forty pound rail stored at Allenhurst, Georgia;

Third: The equipment of said railroad, consisting of cars, engines, et cetera;

Fourth: The entire logging equipment belonging to the Company, consisting of one McGiffert loader, one four-line Clyde skidder,

forty steel logging trucks, six camp box cars, and other logging equipment;

Fifth: Timber—

A—All the trees standing, lying or being on the four tracts of land indicated on the accompanying map as:

- (1) Westfield 1390 1-2 acres;
- (2) Hines 890 1-2 acres;
- (3) Oaklawn 308 acres; and
- (4) Bacon 1837 acres;

which four tracts are contiguous, and are more particularly described as follows, to wit:

Beginning at a point on the McIntosh road indicated by a star on the map hereto attached, it being the beginning corner of the tract held in fee as hereinafter described, and running thence with the line of said tract held in fee along said McIntosh road North $18\frac{1}{2}$ degrees East 17.80 chains;

Thence South $83\frac{3}{4}$ degrees East 36.40 chains;

Thence North $28\frac{3}{4}$ degrees East 25.35 chains along said road;

Thence North 2 degrees West 11 chains along said road;

Thence due North 22.75 chains along said road;

Thence North $8\frac{1}{4}$ degrees East 3.14 chains along said road;

Thence North $40\frac{3}{4}$ degrees East 10.20 chains along said road;

- Thence North $31\frac{1}{2}$ degrees East 14.44 chains along said road;
Thence North $50\frac{3}{4}$ degrees East 8.27 chains along said road;
Thence North $64\frac{1}{2}$ degrees East 95 links along said road;
Thence North $86\frac{3}{4}$ degrees East 15.75 chains along said road to a gum;
Thence North $69\frac{1}{2}$ degrees East 12.15 chains along said road;
Thence leaving the line of the tract held in fee, North 2 degrees East 13.18 chains;
Thence North 51 degrees West 10 chains;
Thence North 85 degrees West 13.70 chains;
Thence North 35 degrees East 19 chains to a stake in the center of Mulberry Swamp:
Thence Westwardly with the center of said Mulberry Swamp about 23 chains more or less to a stake;
Thence South 14 degrees West 19.40 chains;
Thence North 85 degrees West 20.50 chains;
Thence South 31 degrees West 9 chains;
Thence South 4 degrees West 3.50 chains;
Thence South 31 degrees West 25.84 chains;
Thence due West 20.69 chains;
Thence South 2 degrees East 5 chains;
Thence due East 5 chains to a dam;
Thence South 14 degrees East 4.27 chains;

Thence South 70 degrees West 5.70 chains;
Thence North 15 degrees East 4 chains;
Thence South 80 degrees West 19.50 chains;
Thence North 70 degrees West 25 chains;
Thence South 75 degrees West 8 chains;
Thence South 11 degrees West 38.82 chains;
Thence South 89 degrees West 109 chains;
Thence South 85 degrees West 34 chains to
the line of the right of way of Atlantic
Coast Line Railroad Company, a point
situated 2,370 feet Northeast from the
crossing of the public road leading from
Allenhurst to Hinesville;
Thence Southwest along the line of the
right of way of the Atlantic Coast Line
Railroad 23.50 chains to a stake on the
right of way of the said Atlantic Coast
Line Railroad Company;
Thence South 2 degrees West 73.50 chains;
Thence North 85 degrees East 24.76
chains;
Thence South 30 degrees East 36.05 chains,
to a sweet gum near Cockrane Branch;
Thence South $49\frac{1}{4}$ degrees West 10.60
chains;
Thence South 84 degrees West 12.12
chains;
Thence South $72\frac{3}{4}$ degrees West 12.12
chains;
Thence due West 22.73 chains;
Thence North 83 degrees West 19.70
chains;

Thence South $49\frac{3}{4}$ degrees West 8.79 chains to the road leading from the village of Walthourville to Walthourville depot;

Thence South 46 degrees East along said road 12.83 chains;

Thence North $89\frac{1}{2}$ degrees East 9.83 chains;

Thence South $1\frac{1}{2}$ degrees East 7.94 chains to a stake on the East side of the road to Walthourville depot;

Thence North $86\frac{1}{2}$ degrees East 50 chains;

Thence North 75 degrees East 11 chains to a stake on the South side of the Walthourville road;

Thence South 10 degrees West 14.75 chains;

Thence North 80 degrees East 7.40 chains;

Thence South $2\frac{1}{2}$ degrees West 26.17 chains;

Thence North 72 degrees East 37.95 chains;

Thence South $55\frac{1}{2}$ degrees East 56 chains;

Thence South $71\frac{1}{2}$ degrees East 45 chains to a line of the Pleasant Valley 900 acre tract, a part of the fee land hereinafter described and known as the Hilton and Dodge lands;

Thence with the Western line of the Hilton and Dodge lands the following courses and distances—

North $24\frac{1}{2}$ degrees East 25.92 chains;

Thence North $41\frac{1}{2}$ degrees East 38.88

chains to the road leading to Allenhurst;
Thence North 73 degrees East 3.90 chains;
Thence North $21\frac{1}{4}$ degrees East 27.70
chains;
Thence South 86 degrees East 34.48 chains;
Thence leaving the line of the Hilton and
Dodge lands and running North $6\frac{3}{4}$ de-
grees East 8.76 chains;
Thence North 80 degrees West 9.85 chains;
Thence North 13 degrees East 2.41 chains;
Thence North 61 degrees East 7.21 chains;
Thence North 38 degrees West 8.48 chains;
Thence North 2 degrees East 7 chains;
Thence North 18 degrees East 8.80 chains;
Thence North 3 degrees East 33.40 chains;
Thence North 68 degrees East 13.40 chains
to the point of beginning and containing
4426 acres;

Together with the right to enter, cut and re-
move the said timber on tracts 1, 2 and 3 first
above referred to, to wit: Westfield, Hines and
Oaklawn tracts, at any time within fifteen (15)
years from August 11, 1908, and with the right
to extend the said time of removal for an ad-
ditional term of five (5) years (or until August
11, 1928) upon the payment of Three Hundred
(300) Dollars per annum to E. P. Miller, his
heirs or assigns, and on tract 4 to wit: The
Bacon tract within fifteen (15) years from May
24, 1909, and with the right to extend the time
of removal for an additional term of five (5)
years (or until May 24, 1929) on the payment

of One Hundred and Twenty (120) Dollars per annum to E. P. Miller, his heirs or assigns.

The timber and rights in this Item conveyed being the same acquired by E. V. Dunlevie from said E. P. Miller by deeds dated August 11, 1908, and May 24, 1909, and recorded at pages 531 *et seq.* in Book A-I, and at pages 293 *et seq.* of Book A-J, in the office of the Clerk of the Superior Court of Liberty County, Georgia.

B—All the pine timber on the tract shown on the map and known as the Quarterman 320 acres, which is more particularly described as follows:

Beginning at a stake on the South side of the Sandy Run Road, a corner of the Middleton 580-acre tract as shown on the map;

Thence crossing Sandy Run Road North 51 degrees West 34.75 chains;

Thence South 67 degrees West 25.70 chains to a stake on the South side of the Sandy Run Road;

Thence South $31\frac{1}{4}$ degrees East 50.76 chains;

Thence South 55 degrees East 12 chains;

Thence North 28 degrees East 7 chains;

Thence South 54 degrees East 30.90 chains;

Thence North 28 degrees East 17 chains to the Southwest corner of the said Middleton 580 acres;

Thence with the line of the Middleton 580

acres North 19 degrees East 20.60 chains;
Thence still with the line of the Middleton
580 acres North 74 degrees West 32.34
chains to the point of beginning—and
containing 320 acres;

Together with the right to enter, cut and remove the said timber at any time within fifteen (15) years from November 30, 1908, and with the right to extend the said time of removal for an additional five (5) years (or until November 30, 1928) upon the payment of Twelve (12) Dollars per annum to Mrs. Rhonella Hendry, her heirs or assigns,—

The timber and rights in this Item conveyed being the same acquired by E. V. Dunlevie from said Rhonella Hendry by deed dated November 30, 1908, and recorded at pages 94 *et seq.*, in Book A-J in the office of the Clerk of the Superior Court of Liberty County, Georgia.

C—All pine and ash timber on a tract designated on the map and known as the Middleton 580 acres, containing by re-survey 582 acres, and more particularly described as follows:

Beginning on a stake near the South side of the Sandy Run Road, being the beginning corner of the above described Quarterman 320 acre tract;

Thence with the line of the Quarterman 320 acre tract South 74 degrees East 32.34 chains;

Thence South 19 degrees West 20.60 chains;

Thence leaving the line of the Quarterman tract South 78 degrees East 50.15 chains;

Thence North 77 degrees East 18.81 chains to the Jonesville Road and the line of the Middleton 664 acre tract, a part of the Hilton and Dodge fee lands;

Thence with the line of the Hilton and Dodge fee lands the following courses and distances:

North 16 degrees West 39.50 chains to the Sandy Run Road;

Thence along Sandy Run Road South $87\frac{1}{2}$ degrees East 19.60 chains;

Thence leaving the road North 12 degrees East 11.64 chains;

Thence North $50\frac{3}{4}$ degrees West 13.25 chains;

Thence North $13\frac{1}{2}$ degrees West 23.80 chains;

Thence leaving the Hilton and Dodge fee lands, due West 50 chains;

Then due South 6.79 chains;

Thence due West 33.90 chains;

Thence South 3 degrees West 33.34 chains to the place of beginning,—containing 582 acres;

Together with the right to enter, cut and remove the said timber at any time on or before September 25, 1919; the timber and rights in this Item conveyed being the same acquired by

E. V. Dunlevie from Hilton & Dodge Lbr. Co. by deed dated May 28, 1908, and recorded at pages 444 *et seq.*, in Book A-I in the office of the Clerk of the Superior Court of Liberty County, Georgia.

D—All timber of every sort and description except cypress on the tract shown on the map as the Middleton 480 acres, being known as the Griffin Plantation, and being the tract described as Exclusion No. 1 in the boundaries of the lands conveyed in fee as hereinafter described,—said Griffin Plantation, the timber on which is hereby conveyed, being more particularly described as follows:

Beginning at a pine on the Sandy Run Road and running

Thence North $7\frac{1}{2}$ degrees West 33.33 chains;

Thence North 3 degrees East 45 chains;

Thence South 81.50 degrees East 64.30 chains to a pine;

Thence South $18\frac{1}{2}$ degrees East 12.10 chains to a light wood stump;

Thence South $81\frac{1}{2}$ degrees East 46 chains to the edge of the old road to Anderson Plantation;

Thence along the North side of said road South 60 degrees West 34 chains to the Sandy Run Road;

Thence North 55 degrees West 8 chains;

Thence South 67 degrees West 3.40 chains;
Thence North 88 degrees West 28.75 chains
to the point of beginning and containing
480 acres;

Together with the right to enter, cut and remove the said timber at any time on or before February 11, 1914; and with the right to extend the time of removal for an additional term of ten (10) years (or until February 11, 1924) upon the payment of Three Hundred (300) Dollars per annum to Joseph S. and Harry R. Middleton, their heirs or assigns.

The timber and rights in this Item conveyed being the same acquired by E. V. Dunlevie from Hilton & Dodge Lumber Co. by deed dated May 28, 1908, and recorded at pages 444 *et seq.*, in Book A-I in the office of the Clerk of the Superior Court of Liberty County, Georgia.

E—(1) All the pine timber (except that which is both dead and fallen) on 422 acres, being the Northwest portion of the 982-acre tract shown on the map and known as the Sullivan tract, which 422 acres is more particularly described as follows:

Bounded on the North by the lands of Mrs. Howe; on the East by the lands of E. P. Miller; on the South by the lands of C. B. Godwin and J. T. Saunders, and on the West by the lands of the Hilton & Dodge Lumber Company;

Together with the right to enter, cut and re-

move the said timber at any time on or before April 5, 1917.

(2) Also all the timber of every description on a 560-acre tract, being the remainder of the said 982-acre Sullivan tract, which 560 acres is more particularly described as follows:

Bounded on the North by the lands of the estate of Polly Bacon, on the East by the lands of LeConte; on the South by the lands of Fraser and Allen, and on the West by the lands of D. C. Swindel, and Fraser and Allen;

Together with the right to enter, cut and remove the said timber at any time on or before April 19, 1917.

The timber and rights hereby conveyed on the said two tracts being the same acquired by E. V. Dunlevie by deed from the Brewster Lumber Company, dated August 17, 1909, and recorded at page 418 of Book A-J of the records of the Clerk of the Superior Court of Liberty County, Georgia.

(3) Also all the timber of all kinds and description on the tract shown on the map and known as the Brewster 540 acres, which 540 acres is more particularly described as follows:

Bounded on the North by the lands of estate of George Howe, Joseph R. Bacon and E. P. Miller; on the East by the lands of Paul LeConte and others; on the South by Sandy Run Road; and on

the West by the lands of George Howe and F. B. Middleton;

Together with the right to enter, cut and remove the said timber, and the timber described in Item G hereof, at any time on or before August 11, 1923, and with the right to extend the said time of removal for an additional term of five (5) years (or until August 11, 1928) upon the payment of Three Hundred (300) Dollars per annum to E. P. Miller, his heirs or assigns, the said timber and rights being the same acquired by E. V. Dunlevie from said E. P. Miller by deed dated December 31, 1908, and recorded at pages 135 *et seq.* in Deed Book A-J in the office of the Clerk of the Superior Court of Liberty County, Georgia.

The above three tracts of 422 acres and 560 acres (which taken together make up the tract shown on the map as the Sullivan tract) and the 540-acre Brewster tract (the timber on which is in this item conveyed) lie contiguous to each other, are embraced in one general boundary, and are more particularly described as follows:

Beginning at a large gum in the center of the Sullivan Branch, being the Western corner of a tract shown on the map as the Brewster or Woodland 799 acres, and known in the records as the LeConte tract;

Thence South 40 degrees West 48 chains to a stake on the dam;

Thence along said dam North 54 degrees
West 95.60 chains;

Thence North $22\frac{1}{2}$ degrees East 69.75
chains;

Thence North 68 degrees West 57.83 chains
to a tree marked with an "X" on a dam,
being the line of the Middleton 900-acre
tract as shown on the map, and part of
the Hilton and Dodge fee land;

Thence with the lines of the Hilton and
Dodge fee lands the following courses
and distances:

North 23 degrees East 61.70 chains to the
Sandy Run Road;

Thence along said road North 49 degrees
West 7.66 chains to an oak on the North
side of Sandy Run Road;

Thence South $66\frac{3}{4}$ degrees East 42.60
chains;

Thence North $27\frac{3}{4}$ degrees East 56.60
chains to a pine;

Thence South 68 degrees East 49.33 chains
to a dam;

Thence leaving the line of the Hilton and
Dodge fee lands South 47 degrees East
3281 feet on a dam;

Thence South $73\frac{1}{2}$ degrees West 1490 feet
on a dam;

Thence South 45 degrees West 1070 feet;

Thence South 41 degrees East 394 feet on
a dam to the North side of the Sandy
Run Road;

Thence along said road South 76 degrees
West 100 feet;

Thence along said road South $85\frac{1}{4}$ degrees
West 1859 feet;

Thence along said road South 78 degrees
West 1353 feet;

Thence leaving the said road South $22\frac{1}{2}$
degrees East 120 chains to the point of
beginning, containing 1,522 acres.

F—All the timber on the tract of 799 acres
shown on the map as the Brewster or
Woodland tract, known on the records as
the LeConte tract, and being generally de-
scribed as:

Bounded on the East by the lands of Jo-
seph LeConte; on the North by the lands
of William Jones; on the West by the
lands of Mrs. Harden, and on the South
by Bull Town Swamp,

which said 799-acre tract is more particularly
described as follows:

Beginning at a large gum in the middle of
a swamp on Sullivan Branch, being the
beginning corner of the above described
Sullivan tract, and running

Thence Southeastwardly with the center of
Sullivan Branch to a dam at Flood Gate
hole;

Thence along the dam North $46\frac{1}{2}$ degrees
East 56.01 chains to the center of the
LeConte branch;

Thence along the center of LeConte branch in a Northwesterly direction to a stake; Thence South 39 degrees West 40.92 chains to the place of beginning, containing 799 acres;

Together with the right to enter, cut and remove the said timber at any time on or before April 19, 1917; being the same timber and rights acquired by E. V. Dunlevie from Brewster Lumber Company by deed dated August 17, 1909, and recorded at page 418 *et seq.* in Deed Book A-J in the office of the Clerk of the Superior Court of Liberty County, Georgia.

G—All the trees of every sort and description on the tract shown on the map and known as the Brewster 61.7 acres, said 61.7 acres being generally described as:

Bounded on the North by the estate of Joseph R. Bacon, and Lot No. 11, as per survey of Capt. Wm. Hughes; on the East by Lot No. 2; on the South by lands formerly belonging to the estate of Jonathan Bacon, and on the West by the same, this being the Lot No. 1 of the Kedron Plantation as subdivided by Wm. Hughes.

and which is more particularly described as follows:

Beginning at a stake 963 feet East of the most Easterly corner of the Brewster

540-acre tract, as shown on the map, and running

Thence South 51 degrees East 1,520 feet to a live oak on a dam;

Thence North $39\frac{1}{2}$ degrees East 2,019 feet;

Thence North 41 degrees West 654 feet to a road;

Thence along said road in a Southwesterly direction 475 feet to a live oak;

Thence North $53\frac{1}{2}$ degrees West 830 feet on a dam to a corner of the dam;

Thence South $39\frac{1}{2}$ degrees West 1,560 feet to the point of beginning, containing 61.7 acres;

Together with the right to enter, cut and remove the said timber, and the timber described under tract 3 of Item E hereof, at any time on or before August 11, 1923, and with the right to extend the said term of removal for five (5) years (or until August 11, 1928) upon the payment of Three Hundred (300) Dollars per annum to E. P. Miller, his heirs or assigns, the said timber and rights in this Item conveyed being the same acquired by E. V. Dunlevie from said E. P. Miller by deed dated December 31, 1908, and recorded at pages 135 *et seq.* in Deed Book A-J in the office of the Clerk of the Superior Court of Liberty County, Georgia.

H—All timber on a tract shown on the map as the Screven 673 acres, and known as the

Claybank Plantation, which 673-acre tract is generally described as:

Bounded on the North by the road from Walthourville to Riceboro; on the East by the lands of the estate of Brewster Fleming; on the South by the lands of the estate of Ned Hargrave and Thomas Hargrave, the channel of the swamp and the Homestead Plantation, and the lands of Charlie Roberts, as will more fully appear by a plat of 673 acres and of 755 acres of the Mallard land adjoining, dated May 29, 1908, made by J. O. Garason, Deputy Surveyor of Liberty County, Georgia,

and which 673-acre tract is more particularly described as follows:

Beginning on a stake on the South side of the Screven road;

Thence South 2 degrees West 6.35 chains to the line of the 1,500-acre Homestead tract, being a part of the Hilton and Dodge fee land;

Thence with the line of the said Hilton and Dodge fee land South 2 degrees West 27.75 chains to a water oak on a dam;

Thence South 4 degrees East 26.60 chains to a water oak;

Thence South 88 degrees East 12.40 chains to a ditch;

Thence South 10 degrees West 29.30 chains;
Thence South 3 degrees West 9.50 chains on a dam to the center of the channel of Axson Swamp;
Thence along the center of said Axson Swamp South 66 degrees East 1.40 chains;
Thence South 88 degrees East 1.35 chains;
Thence South 76 degrees East 1.90 chains;
Thence North 80 degrees East 8.70 chains;
Thence South 67 degrees East 2.60 chains;
Thence North 76 degrees East 4 chains;
Thence South 79 degrees East 7.20 chains;
Thence South 11 degrees West 1.60 chains;
Thence North 84 degrees East 4.40 chains to a corner in the channel of Axson Swamp, a cypress with ash pointers;
Thence leaving the line of the Hilton and Dodge fee lands and running North 2 degrees East 33.70 chains;
Thence South 79 degrees East 27.70 chains;
Thence South 88 degrees East 42 chains;
Thence North 5 degrees East 33 chains to the Screven Road, a stake;
Thence along said Screven road North 81 degrees West 26.20 chains;
Thence along said Screven road North $78\frac{1}{2}$ degrees West 90 chains to the place of beginning, containing 673 acres.
Together with the right to enter, cut and re-

move the same at any time on or before June 5, 1923, and with the right to extend the said term of removal for an additional period of five (5) years upon the payment of One Hundred and One (101) Dollars per annum to Edward M. Screven, Sarah L. Mallard and Wallace W. Mallard, their heirs or assigns, the timber and rights in this Item conveyed being the same acquired by E. V. Dunlevie from said Edward M. Screven, and others, by deed dated June 5, 1908, and recorded at pages 460 *et seq.*, in Deed Book A-I in the office of the Clerk of the Superior Court of Liberty County, Georgia.

I—All timber standing or lying on the tract shown on the maps as the 755-acre Mallard tract, which is generally described as:

Bounded on the North by the lands of Sam Charlton, Joe Quarterman, James Porter, R. L. Page and Isaac Morrison; on the East by the lands of Edward Way and the estate of W. B. Fleming; on the South by the road from Walthourville to Riceboro, and on the West by the lands of Joe Quarterman,

said 755-acre tract being more particularly described as follows:

Beginning at a stake on the Screven Road; being the Northeast corner of the above described Screven tract of 673 acres;

Thence North 5 degrees East 16 chains;

Thence North 88 degrees East 5.70 chains;

Thence North $61\frac{1}{2}$ degrees East 20 chains;

Thence North 60 degrees West 16 chains;

Thence North 26 degrees East 35.50 chains;

Thence North 70 degrees West 23 chains;

Thence North 29 degrees East 58.75 chains;

Thence South 82 degrees East 20.80 chains;

Thence North 4 degrees East 7.10 chains;

Thence South 88 degrees East 14 chains;

Thence South 34 degrees West 22.20 chains;

Thence South 60 degrees East 31.17 chains;

Thence crossing a dam South 60 degrees East 1,210 feet to the line of the J. B. Way 50-acre tract;

Thence South 30 degrees West 10 chains;

Thence South 78 degrees West 2.90 chains;

Thence South 26 degrees West along a dam 32.27 chains to a stake on a dam, the Southwest corner of the J. B. Way 50 acres;

Thence South 28 degrees West 51.73 chains on a dam;

Thence South 54 degrees West 10 chains;

Thence South 5 degrees East 14.50 chains to a stake on the North side of the Screven road;

Thence along said road North 81 degrees

West 34.55 chains to the place of beginning, and containing 755 acres;

Together with the right to enter, cut and remove the said timber at any time on or before June 5, 1923, and with the right to extend this term for removal for an additional period of five (5) years (or until June 5, 1928), upon the payment of One Hundred and Thirteen (113) Dollars and twenty-five (25) cents per annum to Sarah L. Mallard, Mary A. Screven and Wallace W. Mallard, their heirs or assigns, said timber and rights in this Item conveyed being the same acquired by E. V. Dunlevie from said Sarah L. Mallard and others, by deed dated June 5, 1908, and recorded at pages 458 *et seq.*, in Deed Book A-I in the office of the Clerk of the Superior Court of Liberty County, Georgia.

J—All the timber and trees (except 75 or 80 ornamental trees standing around the dwelling house and along the public road, which runs through this tract of land) on the tract shown on the map as the Gibson 868 acres, which is generally described as:

All that tract of land on North Newport River and Peacock Creek near the village of Riceboro and known as the Hopewell Plantation except a right of way heretofore conveyed to the Florida

Central & Peninsula Railway Company,
and containing 13 acres more or less.

Also a strip of land 100 feet wide running parallel with and adjoining the right of way of the Seaboard Air Line Railway, near the 108th mile post of said railway, said tract being bounded as follows:

On the North by the lands of Ham, John Osgood and Lambert; on the East by the lands of Thomas Baker and Dr. Samuel Way; on the South by North Newport River, and on the East by Peacock Creek,

and which 868-acre tract is more particularly described as follows:

Beginning at a point on Peacock Creek and running South 18 degrees 51 minutes West 9.50 chains;

Thence South $78\frac{3}{4}$ degrees West 15.73 chains;

Thence South $41\frac{1}{2}$ degrees West 9.42 chains to a live oak, corner on Road to Gibson's near junction of Sunbury Road;

Thence along said road North 57 degrees West 88.05 chains to a corner;

Thence South 31 degrees West 7.25 chains to corner on Savannah and Riceboro road;

Thence along said road South 26 degrees East 58.80 chains to corner at fork with Old Landing Road;

Thence along said Old Landing Road North 85 degrees 30 minutes West 28 chains to corner;

Thence South 28 degrees East 41.30 chains to North Newport River;

Thence following the meanderings of said North Newport River in an Easterly direction to the junction with Peacock Creek;

Thence up Peacock Creek in a Northwest-erly direction to point of beginning, containing 868 acres, less 18 acres owned and used as a right of way by the Seaboard Air Line Railway, according to a plat of survey made by Gignilliat and Reppard, Civil Engineers, dated January, 1909.

By a recent re-survey the said tract of land is described as follows:

Beginning at a stake on the North side of North Newport River about 28 chains West of the Savannah and Riceboro Road;

Thence North 28 degrees West 41.30 chains to a corner on the South side of Old Landing Road;

Thence along the South side of Old Landing Road South 85.30 degrees East 28 chains to a corner in ditch by water oak on East side of Savannah and Riceboro Road;

Thence along said east side of said road

North 26 degrees West 58.80 chains to a corner;

Thence North 31 degrees East 7.25 chains to a pine tree on the East side of the public road to Gibson's;

Thence along said public road South 57 degrees East 88.05 chains to a live oak;

Thence North $4\frac{1}{2}$ degrees East 8.42 chains to a corner;

Thence North $46\frac{1}{2}$ degrees West 1.90 chains to a corner;

Thence North $78\frac{3}{4}$ degrees East 15.73 chains to a corner;

Thence North $23\frac{3}{4}$ degrees East 1.50 chains to edge of marsh;

Thence continuing on same line to a stake on South side of Peacock Creek;

Thence following the South side of Peacock Creek to its junction with North Newport River;

Thence along the North side of North Newport River to point of beginning, and containing 868 acres;

Together with the right to enter, cut and remove the said timber at any time on or before February 15, 1929, said timber and rights being the same acquired by E. V. Dunlevie from M. A. Gibson, by deed dated February 15, 1909, and recorded at pages 182 *et seq.*, in Deed Book A-J in the office of the Clerk of the Superior Court of Liberty County, Georgia.

K—All boxed pine trees except trees for fuel

and plantation purposes on the tract shown on the map as the Butler 89-acre tract, which is generally described as:

All that certain tract of land containing 89 acres more or less, known as Lot No. 9 of the Lambert Plantation, and bounded on the North by the Savannah and Darien Road; on the East by the lands of John Baker; on the South by the lands of John Baker, and on the West by the land of D. L. Buttolph,

and which 89-acre tract is more particularly described as follows:

Beginning at a stake on the Northwest corner of the Gibson land on the East side of the Riceboro Road, and running

Thence North 31 degrees East 8.72 chains to a dam;

Thence along said dam North 54 degrees West 3.80 chains;

Thence North $43\frac{1}{2}$ degrees East 9.68 chains;

Thence North $46\frac{1}{2}$ degrees West 11.90 chains;

Thence South 35 degrees West 10.50 chains to the Riceboro Road;

Thence along said road South 26 degrees East 18.80 chains to the point of beginning, and containing 89 acres;

Together with the right to enter, cut and remove the said timber at any time on or before November 6, 1923, and with the right to ex

tend the said term of removal for an additional period of five (5) years (or until November 6, 1928), upon the payment of One (1) Dollar and thirty-five (35) cents per annum to Shedrack Butler, his heirs or assigns, being the same timber and rights acquired by E. V. Dunlevie from Shedrack Butler by deed dated November 6, 1908, and recorded at pages 41 *et seq.*, in Book A-J in office of the Clerk of the Superior Court of Liberty County, Georgia.

L—All timber and trees of every sort and description on five tracts of land indicated on the map as:

- (1) Sampson Carter 96 acres;
- (2) D. D. James 50 acres;
- (3) Charles Dix 23 acres;
- (4) Gus Quarterman 63 acres, and
- (5) D. D. James 100 acres;

said five tracts being respectively described as follows:

- (1) Sampson Carter tract, lying in the Fifteenth Civil District of Liberty County, and bounded on the North by lands formerly belonging to the E. B. Way Estate; on the East by the lands of D. D. James; on the South by the lands of David James, and others, and on the West by the lands of the E. B. Way Estate,

the timber on which tract is hereby conveyed together with the right to enter, cut and remove

the same at any time on or before March 12, 1916, being the same timber and rights acquired by E. V. Dunlevie from Hilton & Dodge Lumber Co. by deed dated February 19, 1909, and recorded at pages 227 *et seq.*, in Deed Book A-J in the office of the Clerk of the Superior Court of Liberty County, Georgia.

(2) D. D. James 50-acre tract:

Bounded on the North by the lands of Augustus Quarterman and the estate of E. B. Way; on the East by the lands of William Lambert; on the South by the lands of the estate of W. B. Fleming, and on the West by the lands of the estate of E. B. Way,

the timber on which tract is hereby conveyed together with the right to enter, cut and remove the same at any time on or before April 4, 1929, being the same timber and rights acquired by E. V. Dunlevie from D. D. James by deed dated February 13, 1909, and recorded at pages 185 *et seq.*, in Deed Book A-J in the office of the Clerk of the Superior Court of Liberty County, Georgia.

(3) Charles Dix 23 acres, being

All that certain tract of land containing 23 acres more or less, known as part of the Bacon tract, and being in the Fifteenth District, and bounded on the North by lands formerly belonging to Jack Baker; on the East by the lands of Gus Quarterman; on the South by lands formerly

belonging to the estate of Judge Fleming, and on the West by the lands formerly belonging to the estate of Judge Fleming, and the estate of Jack Baker, the timber on which tract is hereby conveyed, together with the right to cut, enter and remove the same at any time on or before November 7, 1923, and with the right to extend this time for removal for an additional time of five (5) years (or until November 7, 1928) upon the payment of fifteen (15) cents per annum to Charles Dix, his heirs or assigns—being the same timber and rights acquired by E. V. Dunlevie from said Charles Dix by deed dated November 7, 1908, and recorded at pages 39 *et seq.*, in Deed Book A-J in the office of the Clerk of the Superior Court of Liberty County, Georgia.

- (4) Gus Quarterman 63 acres, being all that certain tract of land containing 63 acres, more or less, bounded on the North and East by the lands formerly belonging to the Lambert Estate; on the South by the lands of the estate of W. B. Fleming, and on the West by the lands of Charles Dix, the timber on which is hereby conveyed, together with the right to enter, cut and remove the same at any time on or before November 6, 1923, and with the right to extend this time of removal for an additional period of five (5) years (or until No-

vember 6, 1928) upon the payment of seventy-five (75) cents per annum to Augustus Q. Quarterman, his heirs or assigns, it being the same timber and rights acquired by E. V. Dunlevie from said Augustus Q. Quarterman, by deed dated November 6, 1908, and recorded at pages 37 *et seq.*, in Deed Book A-J in the office of the Clerk of the Superior Court of Liberty County, Georgia.

(5) D. D. James 100 acres,

Being all that certain tract of land known as a part of W. E. W. Quarterman Plantation, containing 100 acres, more or less, and bounded on the North by Sunbury Road; on the East by the lands of the estate of Way; on the South by the lands of the estate of Mallard, and on the West by the lands of Isaac Morrison, the timber on which tract is hereby conveyed, together with the right to cut, enter and remove the same at any time on or before February 13, 1929, being the same timber and rights acquired by E. V. Dunlevie from David D. James by deed dated February 13, 1909, and recorded at pages 180 *et seq.*, in Deed Book A-J in the office of the Clerk of the Superior Court of Liberty County, Georgia.

Said five (5) tracts of land the timber on which is in this Item conveyed, are practically

contiguous and are more particularly described as follows:

Beginning at a stake on a dam on the line of the Mallard 755 acres, being the Southwest corner of the J. B. Way 50 acres, and running

Thence South $82\frac{1}{2}$ degrees East along the dam 1,584 feet;

Thence South 120 feet to a dam;

Thence along the dam South 87 degrees East 1,960 feet;

Thence along a dam North 34 degrees East 2,555 feet to the Sunbury Road;

Thence North $57\frac{1}{4}$ degrees West 1,835 feet;

Thence North 47 degrees West 590 feet;

Thence North 73 degrees West 575 feet;

Thence North 40 degrees West about 330 feet;

Thence North 54 degrees West 184 feet;

Thence North 35 degrees East 345 feet;

Thence Northwest about 350 feet to a ditch, a line of the D. D. James 100 acres;

Thence along the said lines and the ditch North 35 degrees East 1,479 feet to the Sunbury Road;

Thence along the Sunbury Road North 73 degrees West 1,270 feet to a stake on the South side of the Sunbury Road;

Thence South 35 degrees West 3,430 feet to the line of the Mallard 755-acre tract;

Thence with the lines of the Mallard 755-

acre tract South 60 degrees East 1,210 feet;

Thence South 30 degrees West 10 chains;

Thence South 78 degrees West 2.90 chains;

Thence South 26 degrees West 32.27 chains to the place of beginning, containing 432 acres.

This above boundary includes the J. B. Way 50 acres, the Eliza James 25 acres, and the Buckhein 25 acres, the timer on which tracts is not now owned by the Company, but for which the Company is negotiating, and this conveyance is intended to include and convey the same to the Trustees hereunder, when and as it may be acquired, together with any and all rights acquired therewith.

M—(1) All the trees of every sort and description lying on the tract shown on the map as the Tom Bacon 50-acre tract, which is generally described as:

All that certain tract of land containing 50 acres, more or less, bounded on the North by the lands of the estate of E. Jones; on the East by the lands of the estate of W. J. James; on the South by the Cherry Hill Road, and on the West by the lands of D. L. Buttolph, said tract of land being known as part of the Moses Way tract, the timber on which tract is hereby conveyed, together with the right to enter, cut and remove the

same at any time on or before November 5, 1923, and with the right to extend the time for removal for an additional time of five (5) years should the timber not be removed on or before said date—being the same timber and rights acquired by E. V. Dunlevie from Tom Bacon by deed dated November 5, 1908, and recorded at pages 35 *et seq.* in Deed Book A-J in the office of the Clerk of the Superior Court of Liberty County, Georgia.

- (2) All trees of every sort and description except trees necessary for fuel and plantation purposes on the tract shown on the map as the W. J. James 45-acre tract, and which is generally described as:

All that certain tract of land containing 50 acres, more or less, and known as part of the Moses Way tract, and bounded on the North by the lands of the estate of E. Jones; on the East by the lands of the estate of Plenty James; on the South by the Cherry Hill Road, and on the West by the lands of Tom Bacon, excepting therefrom five acres sold by said W. J. James to Shedrach Bacon, the timber on which tract is hereby conveyed, together with the right to enter, cut and remove the same at any time on or before November 6, 1923, with the right

to extend the time for removal for an additional term of five (5) years (or until November 6, 1928) upon the payment of One Dollar and twenty cents (1.20) per annum to W. D. James, his heirs or assigns, being the same timber and rights acquired by E. V. Dunlevie from W. D. James and others by deed dated November 6, 1908, and recorded at pages 86 *et seq.*, in Deed Book A-J in the office of the Clerk of the Superior Court of Liberty County, Georgia.

The above two tracts are adjoining and included in one general boundary, as follows:

Beginning at a stake on the Sunbury Road, the Northeast corner of the Quarterman 62-acre tract, as shown on the map;
Thence North 30 degrees East 3,896 feet;
Thence South $57\frac{1}{4}$ degrees East 1,118 feet;

Thence South 30 degrees West 3,896 feet to the North side of the Sunbury Road;
Thence along said Sunbury Road North $57\frac{1}{4}$ degrees West, 1,118 feet to the point of beginning, containing 95 acres.

All of the property and rights above conveyed being the same which were conveyed to the Company by deed of Ernest V. Dunlevie of Buffalo, New York, by deed date November 16, 1910, and recorded at pages 323 *et seq.*, in Deed Book A-K, in the office of the Clerk of

the Superior Court of Liberty County Georgia.

Sixth—Lands conveyed in fee:

There is also hereby conveyed the following lands lying, being and situate in the Fifteenth District G. M. of Liberty County, Georgia, to wit:

Beginning at a point on the McIntosh Road, indicated by a star on the map herein included, the same likewise being the beginning corner of the lands described in Item Fifth A hereof;

Thence along said McIntosh Road North $18\frac{1}{2}$ degrees East 17.80 chains;

Thence South $83\frac{3}{4}$ degrees East 36.40 chains;

Thence North $28\frac{3}{4}$ degrees East 25.35 chains along said road;

Thence North 2 degrees West 11 chains along said road;

Thence due North 22.75 chains along said road;

Thence North $81\frac{1}{4}$ degrees East 3.14 chains along said road;

Thence North $40\frac{3}{4}$ degrees East 10.20 chains along said road;

Thence North $31\frac{1}{2}$ degrees East 14.44 chains along said road;

Thence North $50\frac{3}{4}$ degrees East 8.27 chains along said road;

Thence North $64\frac{1}{2}$ degrees East 95 links along said road;

- Thence North $86\frac{3}{4}$ degrees East 15.75 chains along said road to a gum;
Thence North $69\frac{1}{2}$ degrees East 12.15 chains along said road;
Thence South 79 degrees East 30 chains;
Thence South 11 degrees West 1.40 chains;
Thence South 65 degrees East 35.15 chains;
Thence North 11 degrees East 16.70 chains.
Thence South 64 degrees East 78.78 chains;
Thence South 26 degrees West 21 chains;
Thence South 8 degrees East 10.50 chains;
Thence South 60 degrees East 24 chains;
Thence South 5 degrees West 20.40 chains;
Thence North 76 degrees West 39.50 chains;
Thence South 29 degrees West 10.55 chains to a stake on the North side of the Screven Road;
Thence South 62 degrees East 60 chains;
Thence South 2 degrees West 27.75 chains on a dam to a water oak;
Thence South 4 degrees East 26.60 chains to a water oak;
Thence South 88 degrees East 12.40 chains to a ditch;
Thence South 10 degrees West 29.30 chains;
Thence South 3 degrees West 9.50 chains

on dam to center of channel of Axson Swamp;

Thence along center of said Axson Swamp South 66 degrees East 1.40 chains;

Thence South 88 degrees East 1.35 chains;

Thence South 76 degrees East 1.90 chains;

Thence North 80 degrees East 8.70 chains;

Thence South 67 degrees East 2.60 chains;

Thence North 76 degrees East 4 chains;

Thence South 79 degrees East 7.20 chains;

Thence South 11 degrees West 1.60 chains;

Thence North 84 degrees East 4.40 chains to a corner in channel cypress and ash witnesses;

Thence South $2\frac{1}{2}$ degrees West 40.65 chains to the South side of the Riceboro Road;

Thence South 88 degrees East along said road 25.65 chains;

Thence South 7 degrees West 47 chains on dam;

Thence South 88 degrees West 17.20 chains;

Thence North 86 degrees West 14.25 chains;

Thence North 50 degrees West 29.91 chains to an elm;

Thence South 40 degrees West 13 chains to an elm;

Thence North 58 degrees West 8 chains;

Thence South 26 degrees West 14.30 chains;

- Thence North 88 degrees West 2.95 chains;
Thence North 59 degrees West 9.80 chains;
Thence South 2 degrees West 21 chains
on a dam;
Thence North 68 degrees West 49.33 chains
to a pine;
Thence South $27\frac{3}{4}$ degrees West 56.60
chains;
Thence North $66\frac{3}{4}$ degrees West 42.60
chains to an oak on the North side of the
Sandy Run Road;
Thence along said road South 49 degrees
East 7.66 chains;
Thence South 23 degrees West 71.50 chains
on a dam;
Thence South 58 degrees West 30 chains
to a cypress;
Thence North 67 degrees West 5.70 chains
to a light wood stump;
Thence South 28 degrees West 19.80
chains;
Thence North 22 degrees West 52.40
chains;
Thence South $33\frac{1}{2}$ degrees West 24
chains;
Thence North 83 degrees West 10.50
chains;
Thence North 53.30 degrees West 30
chains;
Thence North 73 degrees West 40 chains;
Thence North 30 degrees East 5 chains;
Thence North 73 degrees West 17.30 chains

to the East side of the Jonesville Road;
Thence along said Jonesville Road North
16 degrees West 53.95 chains to the Sandy Run Road;
Thence along said Sandy Run Road South
87½ degrees East 19.60 chains;
Thence North 12 degrees East 11.64 chains;
Thence North 50¾ degrees West 13.25 chains;
Thence North 13½ degrees West 23.80 chains;
Thence North 24½ degrees East 48.90 chains;
Thence North 4½ degrees East 38.88 chains to the road leading to Allenhurst;
Thence North 73 degrees East 3.90 chains;
Thence North 2¼ degrees East 27.70 chains;
Thence South 86 degrees East 48.87 chains;
Thence North 7½ degrees East 13.70 chains;
Thence North 4 degrees East 21.60 chains;
Thence North 9 degrees East 18.90 chains;
Thence North 6½ degrees East 19.12 chains;
Thence North 66¾ degrees West 12.50 chains to the McIntosh Road and to the point of beginning, and containing 10,259 acres, more or less.

There is excluded from the above boundary, however, the following tracts:

EXCLUSION NO. 1:

The Middleton 480-acre tract on which the timber has hereinabove been conveyed in Item Fifth D, which tract is described by metes and bounds as follows:

Commencing at a pine on the Sandy Run Road and running

Thence North $71\frac{1}{2}$ degrees West 33.33 chains;

Thence North 3 degrees East 45 chains;

Thence South 81.50 degrees East 64.30 chains to a pine;

Thence South $18\frac{1}{2}$ degrees East 12.10 chains to a light wood stump;

Thence South $8\frac{1}{2}$ degrees East 46 chains to the edge of the old road to Anderson Plantation;

Thence along the North side of said road South 60 degrees West 34 chains to the Sandy Run Road;

Thence North 55 degrees West 8 chains;

Thence South 67 degrees West 3.40 chains;

Thence North 88 degrees West 28.75 chains to the point of beginning and containing 480 acres;

EXCLUSION NO. 2:

About 225 acres made up of several small tracts lying along the Riceboro Road, which

tracts are all contiguous and included in one general boundary, particularly described as follows:

Beginning at a pine tree on the Northeast corner of the Middleton 480-acre tract (Exclusion No. 1 above), and running due North 12.78 chains to the Riceboro Road;

Thence along said Riceboro Road North $83\frac{3}{4}$ degrees West 56.66 chains;

Thence North $91\frac{1}{2}$ degrees West 6.20 chains;

Thence North $33\frac{1}{2}$ degrees West 6.40 chains;

Thence North 60 degrees West 13.80 chains;

Thence North $9\frac{3}{4}$ degrees West 3.60 chains;

Thence North 54 degrees West 12.71 chains;

Thence South 43 degrees West 14 chains;

Thence South 22 degrees East 1.93 chains;

Thence South 35 degrees West 2.13 chains to the Riceboro Road;

Thence along said Riceboro Road North 60 degrees West 18.30 chains;

Thence South 49 degrees West 37.50 chains;

Thence South $33\frac{1}{2}$ degrees East 16.03 chains;

Thence South $50\frac{3}{4}$ degrees East 6.37 chains;

Thence North $41\frac{1}{4}$ degrees East 23.50 chains;

Thence South 81.50 degrees East 109.25 chains to the place of beginning.

The above tract of land in this Sixth Item conveyed contains nine thousand five hundred and fifty-four (9,554) acres, more or less, and is composed of the ten smallest tracts generally known and indicated on the map as follows:

- (1) Taylor Walthour, Buena Vista Plantation, contains 1,005 acres;
- (2) Montgomery 2,200 acres;
 - (a) Russel Walthour $1,242\frac{1}{2}$ acres;
 - (b) Richland Plantation of 900 acres.
- (3) Walthour Homestead of 1,500 acres;
- (4) Panama Baker Plantation, 297 acres;
- (5) Pleasant Valley Plantation of 900 acres;
- (6) H. R. Middleton 664 acres;
- (7) Middleton and Futch 900 acres;
- (8) The Green tract of 450 acres, known as the Hargrave Plantation;
- (9) Green 782 acres, known as the La-Grange tract;
- (10) The Howe 856 acres, known as the Anderson tract.

The timber on the said 9,554 acres is the same acquired by E. V. Dunlevie from Hilton and Dodge Lumber Co. by deed dated May 28, 1908, and recorded at pages 444 *et seq.*, in Book A-I in the office of the Clerk of the Superior Court of Liberty County, Georgia, and

by said Dunlevie conveyed to the Company by deed dated November 16, 1910, and recorded at pages 323 *et seq.*, in Deed Book A-K in the same office; and the fee of said tract being the same conveyed to Edward E. Barthell, by deed of Hilton & Dodge Lumber Company dated November 16, 1910, recorded at pages 320 *et seq.*, in Deed Book A-K, and by said Barthell to the Company by deed dated November 16, 1910, recorded at pages.....*et seq.*, in Deed Book.....in said Clerk's office.

Also, all boilers, engines, donkey engines, cars, locomotives, log loaders, skidders, and all machinery and equipment now or hereafter used in connection with the logging operations of the property above described, together with all betterments, additions and improvements of every nature and description hereafter placed upon said premises, or made to or upon said logging railroad and equipment or made to or upon said logging plant and equipment, and used or intended to be used in connection therewith.

TO HAVE AND TO HOLD all and singular the above described property and rights, together with all the rights, title and interest thereunto belonging, and all the privileges and appurtenances thereunto appertaining, together with all other property which by the terms hereof may become subject to this instrument, unto the said Union Trust Company and the said John K. Lyon, Trustees, their successors in

trust, and their assigns in fee simple forever. And the party of the first part covenants that it is seized and possessed of the property above described and conveyed in fee simple; that the same is unencumbered and that it has a good right to convey it; and it warrants to forever defend the title thereto unto the said Trustees, their successors and assigns, against the lawful claims of all persons whomsoever—

In trust nevertheless for the purpose of securing the prompt and punctual payment of all and every of the bonds above described and of the interest coupons thereto attached, without preference or priority of one bond over another, or of bonds over coupons, or of coupons over bonds, with the same effect as if all of said bonds matured upon the same date, and regardless of the date or time of the issue or negotiation thereof; and subject to the following provisions, restrictions and conditions, to wit:

ARTICLE I.

All of the bonds issued and certified hereunder shall stand upon equality without regard to date of issue, certification, negotiation or delivery. Only such bonds as shall bear thereon endorsed the certificate of the Corporation Trustee or its successor hereunder, by it duly executed, shall be valid or obligatory for any purpose or shall be secured by this instrument or entitled to any lien or benefit here-

under, and every such certificate of said Corporation Trustee upon any bond executed in behalf of the Company shall be the only and conclusive evidence that the bond so certified has been duly issued hereunder and is entitled to the benefit of the trust hereby created and no holder of any bond issued hereunder which shall be so certified by said Corporation Trustee shall be under the duty to ascertain whether the same shall have been duly issued, certified or delivered, according to the provisions hereof.

The entire issue of said bonds shall be executed by the Company and at once certified and delivered by said Corporation Trustee to the President of the Company or to such person or persons as the Board of Directors of the Company by its resolution may designate.

Upon certifying or delivering any bond under this mortgage or deed of trust all coupons thereon then matured shall be detached and cancelled by the Corporation Trustee and delivered to the Company.

In case the officers who shall have signed and sealed any of the bonds aforesaid shall cease to be such officers of the Company before the bonds so signed and sealed shall have been actually certified and delivered by the Corporation Trustee, or issued, such bonds may nevertheless be issued, certified and delivered as though the persons who had signed and sealed such bonds had not ceased to be officers of said Company.

Interest coupons shall be authenticated by the engraved fac-simile signature of the present Treasurer of the Company, and the Company may adopt and use said coupons, notwithstanding the fact that the present Treasurer may have ceased to hold such office at the time when said bonds, or some portion thereof, shall be actually certified and delivered.

The Trustees shall not be bound to see to the application, use or disposition of any of the bonds secured hereby, or of the proceeds thereof.

ARTICLE II.

Any bond secured hereby shall pass by delivery unless registered, but it may be registered as to principal in the holder's name on the books of the Union Trust Company, Registrar, at its office in the City of Chicago, Illinois, such registry being noted on the bond by said Registrar, after which only such registered holder, or the legal representative of such holder, shall be entitled to receive the principal thereof; and no transfer shall be valid unless made on said Registrar's books by the registered holder of the bond in person or by the legal representative of such holder and similarly noted on the bond; but the bond may be discharged from registry by registration to bearer, after which it shall be transferable by delivery. It may be registered again, however, in the manner above provided.

The registry of any bond shall not impair the negotiability of the coupons, but the same shall continue to be transferable by delivery notwithstanding such registration.

ARTICLE III.

In case any bond issued under this instrument or the coupons thereto appertaining, shall become mutilated, lost or destroyed, the Company in its discretion may issue and thereupon the Corporation Trustee shall certify and deliver a new bond of like date, tenor and amount, bearing the same number as the one mutilated, lost or destroyed, in exchange for and in place of and upon the cancellation of the mutilated bond or coupons, or in lieu of and substitution for the same, if lost or destroyed. In such case the applicant for such new or substituted bond shall bear the expense of furnishing the same.

The Company shall not be required to issue nor the Corporation Trustee to certify a new bond in lieu of any bond alleged to have been lost or destroyed unless the applicant for such new bond shall first furnish evidence of such loss or destruction, and indemnity against its subsequent presentation as an obligation of the Company, which evidence and indemnity shall be satisfactory to both the Company and the Corporation Trustee, in their discretion.

ARTICLE IV.

Southern Timber Company agrees and covenants that it will duly and punctually pay, or cause to be paid, to every holder of any bond issued hereunder, and secured hereby, the principal and interest accrued thereon, all in gold coin of the United States of America of the standard of weight and fineness existing on the nineteenth day of November, 1910, notwithstanding any law which may now or hereafter make anything else a legal tender in payment of debts, at the dates and place, and in the manner mentioned in said bonds or in the coupons thereto appertaining, according to the true intent and meaning thereof, and without deduction from either the principal or interest for any tax, or taxes, or assessments, or other governmental charges which may be imposed thereon, or which the Company may be required or permitted to pay or to deduct or retain therefrom under or by reason of any present or future law of the United States, or of any State, county or municipality thereunder.

However, the interest on said bonds shall be payable only upon the presentation and surrender of the respective coupons annexed to said bonds, as such coupons respectively mature and when and as paid all the coupons shall forthwith be cancelled and delivered to the Company.

And the Company agrees promptly, and in

time to prevent any sale or forfeiture of the mortgaged premises or any part of the same on account thereof, to pay, or cause to be paid, all taxes, assessments and governmental charges which shall from time to time be legally imposed, assessed or levied, upon or against the property hereby conveyed, or upon any part thereof, or upon the profits or income thereof, or upon or against the Company, and to pay or cause to be paid any tax, judgment or other encumbrance, the lien whereof might be held superior to the lien of these presents, upon the property hereby conveyed or upon any part thereof, so that the priority of these presents shall at all times be fully maintained and preserved; provided, however, that the Company may, with the consent of the Corporation Trustee thereto first had and obtained in writing, resist in any legal way the payment of any tax, assessment or charge upon said property hereby conveyed, or any part thereof, which the Company may deem unjust, illegal or unauthorized. And the Company agrees to do on demand of the said Trustee, or its successors, all acts necessary or proper to keep valid the lien hereby created or intended to be created; and at any future time and as often as it may be necessary to execute or cause to be executed on demand of said Trustee, or its successor or successors, all such other and additional conveyances, deeds, mortgages, or other instruments in writing, in due form and effect,

as may be proper to the better carrying out of the true intent and meaning of these presents.

And the Company further covenants and agrees that it will not cut nor permit to be cut any timber from the premises hereunder mortgaged, nor any timber hereunder mortgaged, nor extract anything from or deaden the said timber, or any portion thereof, nor permit the same to be done, nor permit any waste or other change in the property hereby mortgaged, or any portion thereof, except as is herein otherwise expressly provided, but that it will diligently preserve and protect the same.

In case the Company shall fail to promptly pay or cause to be paid any tax, assessment or other charge as provided for therein, either of the Trustees may pay the same (but shall not be under any obligation whatsoever so to do), in which event such Trustee shall be subrogated, either with or without an act, writing or other instrument to that effect, to the rights and demands of the State, county, city, town or other municipality, as the case may be; and in addition thereto the amount thus expended, together with interest thereon at the rate of six per centum per annum, shall be a charge on the property hereby conveyed prior to the lien of the bonds hereby secured.

The Company covenants that its logging railroad, equipment and appurtenances, and its logging plant, equipment and appurtenances will be kept in repair and maintained in good

working order and condition, and if worn out or injured will be replaced by other property suitable to the business for which it is now used, and of at least equal value, and that such logging railroad, equipment and appurtenances and such logging plant, equipment and appurtenances shall not be removed from the mortgaged premises without the consent of the Trustees hereunder.

The Company covenants that it will keep proper books of record and account showing full, true and perfect entries of all dealings or transactions of or in relation to the plants, properties, business and affairs of the Company, and which shall at all times be open to the inspection of the Trustees or either of them, and of Lyon, Gary & Company, an Illinois corporation, or of their respective successors hereunder; and that whenever requested either by the Trustees or by Lyon, Gary & Company, or their respective successors, the Company shall and will furnish complete statements showing its financial condition, together with such other information bearing on the security of the bonds as may be requested.

· So long as there shall be no default in any of the covenants in this instrument contained, the Company shall continue in the possession of all the property embraced herein, and hereby conveyed to the Trustees.

ARTICLE V.

In order to prevent any accumulation of bonds or coupons after their maturity, the Company covenants and agrees that it will not directly or indirectly extend or assent to the extension of the time for payment of any of the bonds or of any coupons of any of the bonds secured hereby, by purchase or funding of such bonds or coupons or by any other arrangement unless and except such extension shall be subject to the terms of this article. In case the time for payment of any such bond or coupon shall be so extended, whether or not such extension be with or by the consent of the Company, such bond or coupon shall not be entitled, in case of any default hereunder, to the benefit or security of this mortgage, except subject to the prior payment in full of the principal of all bonds issued hereunder then outstanding, and of all matured coupons and accrued interest thereon, and of all other accrued interest on such bonds the payment of which has not been so extended.

ARTICLE VI.

The number first having been selected by lot by the Corporation Trustee, any outstanding bond issued hereunder may be redeemed and paid by the Company at the place of payment of said bonds on any interest payment date, upon payment of the principal of said

bond and interest due thereon at the date of such redemption, together with a premium of three (3) per centum on the principal thereof. Such selections shall in every case be made from the bonds first maturing, no bond being subject to selection for redemption until all bonds of prior maturities have either been paid or selected for redemption. In case of an election to redeem any of the bonds issued hereunder before maturity and a selection pursuant to such election either the Company or the Corporation Trustee shall publish a notice of such election to redeem and the selection thereunder once a week for four successive weeks (the first of such publications to be not less than ninety days previous to the date of redemption) in some newspaper of general circulation published in the City of Chicago, State of Illinois, which notice shall state the numbers of the bonds selected as above to be redeemed, and the date when the bonds so selected shall be due and payable under such redemption. All bonds so designated for redemption shall become due and payable on the date given in such published notice, and shall from such date cease to draw interest, provided that at or prior to such date there shall have been deposited with the Corporation Trustee the proper amount of money for the redemption of said bonds so designated for redemption. Upon the deposit with the Corporation Trustee of the proper amount of money

for the redemption of any bond or bonds so designated the Company and the Trustees may be privileged to consider such bond or bonds as paid and cancelled, and the Company shall be under no further obligation to the holder or holders of such bond or bonds; nor shall the Trustees be further liable or under obligations to such holder or holders except for the moneys deposited in redemption of such bonds, to be paid without interest upon their surrender.

ARTICLE VII.

Subject to the right of suspension or revocation as provided in Article IX hereof and so long as the Company shall not be in default in the payment of any of the bonds or interest coupons secured hereby, or in the payment of taxes or other governmental assessments or charges as provided in this mortgage, or in the performance of any of the other covenants herein contained on its part to be performed, the Trustees shall and are hereby authorized to release unto the Company and to permit the Company to cut and remove free from the lien of this mortgage, or deed of trust, any of the timber shown on the "Estimated Stumpage List" hereinafter referred to, and conveyed hereby, or the timber on any or all of the lands shown on said "Estimated Stumpage List" and conveyed hereby, which the Company may select, when the Company shall have first paid to the Corporation Trustee Five (5) Dollars

per thousand feet on the estimated stumpage for the timber on each description or group of descriptions which the Company then desires the right to cut, as the estimated stumpage thereon is shown on a list called "Estimated Stumpage List," signed in triplicate by the Company, by the Corporation Trustee and by said Lyon, Gary & Company; and one original of which list is deposited with each of the signatories thereto. Consideration for the privilege of obtaining such releases may be given by the Company in any of the following three ways:

(a) By payment in cash.

(b) By delivery to the Trustees of any of the bonds hereby secured and then outstanding, which it may have acquired; in which case, for the purpose of obtaining releases the amount of the principal of such bonds so delivered shall be treated the same as if a like amount had been paid to the Trustees in cash.

(c) By payment of any of the bonds secured hereby—treating only the amount of principal paid as a consideration for releases.

In the event that the Company shall acquire and deliver bonds to the Trustees, as provided in paragraph (b) above, the Trustees shall cancel the said bonds so delivered and forming the consideration or part of the consideration for such releases and also the coupons attached thereto.

The Trustees shall keep a list of the numbers of all bonds so used for the purpose of securing releases of portions of the timber and shall indicate on each such bond that it has been so-used, together with the date of such use.

All money received by the Corporation Trustee under this Article shall be used for the retirement of bonds secured as provided in Article VI hereof.

The Company reserves the right to cut and remove free from the lien hereof, without paying therefor as above provided, the timber from group No. — on said Estimated Stumpage List, the timber so cut and removed to aggregate not more than two million feet.

The Company may enter upon any land from which the timber has been so released and may conduct logging operations thereon as it may desire; and the Company may also, at its pleasure, remove any logging railroad or other property which it may place on such land.

ARTICLE VIII.

In case before the payment in full of all the bonds hereby secured with interest thereon, any timber hereby mortgaged or the timber on any portion of the premises hereby mortgaged (except as may have been theretofore released under the provisions of this instrument) shall be injured or damaged by the action of fire, or by wind or the elements to an extent suf-

ficient in the opinion of the Trustees or of Lyon, Gary & Company, to appreciably affect the value of the same as security for the payment of the bonds and coupons then outstanding, the Company shall within ninety days after the extent of such loss shall be determined, pay to the Corporation Trustee for the benefit of the bondholders the sum of Five (5) Dollars per thousand feet stumpage on the timber so injured or damaged, the land description on which the timber has been injured or damaged being ascertained by investigation under direction of the Trustees, and the amount of timber thereon, on which the payments of Five (5) Dollars per thousand feet shall be made as above expressed, being determined by the estimates made by a cruiser to be selected by the Trustees with the written approval of said Lyon, Gary & Company, the expense of ascertaining such land description and the amount of timber so damaged, to be borne by the Company and to be a charge against the property herein described, and secured by this mortgage.

ARTICLE IX.

While the Company shall not be in default in the performance of any of the covenants in this instrument contained, it may from time to time, subject to the conditions hereinafter stated, sell free from the lien of this instrument any of the property hereunder mortgaged, upon

the payment in cash of such sum or sums of money as the Company, the Trustees and Lyon, Gary & Company may agree upon; provided that if timber is sold it shall not be at a less price than five (5) dollars per thousand feet stumpage, and if land shall be sold it shall not be sold at a less price than five (5) dollars per thousand feet for the timber that may be thereon.

Either the Trustees or Lyon, Gary & Company may in their discretion cause such investigation to be made either of the amount of timber on the property proposed to be sold or of the desirability of permitting or approving of any proposed sale or sales of the property or any part thereof as they may see fit, the expense of which investigation shall be paid by the Company. The Trustees shall execute such instrument as may be necessary to release from the lien of this mortgage any property sold according to the provisions of this Article.

And always further provided, however, that the right of the Company to sell the land or any portion of the same, or the timber or any portion of the same as is in this Article provided, may be suspended or revoked by the Trustees with the concurrence of Lyon, Gary & Company, in case of litigation arising over or affecting or involving questions affecting or which may affect the title to as much as 500 acres of the land embraced herein, or the timber on as much as 500 acres; said suspension

or revocation being optional with the Trustees and Lyon, Gary & Company, and if the right is exercised, the same shall remain in effect until some satisfactory settlement of such litigation, or until other arrangement is made with reference thereto, which is satisfactory to them in their discretion.

The proceeds of the sale of any portion of the property covered hereby (that is, the gross amount of sale less reasonable commissions and expense connected with such sale) shall be paid and turned over to the Corporation Trustee, and shall be treated by the Trustees in like manner and used by them for the same purpose as are the payments provided for in Article VII hereof.

Neither the Trustees nor Lyon, Gary & Company, shall be under any liability for anything done (or omitted to be done) by them respectively in good faith hereunder.

ARTICLE X.

All sums of money paid to the Trustees by the Company for the release of any portion of the timber hereby mortgaged, in accordance with any Article hereof, and all other sums which may come into the hands of the Trustees for the benefit of the holders of the bonds issued hereunder, shall be applied by the Trustees from time to time to the purchase of outstanding bonds issued hereunder at such prices

as may be agreed upon by the Company and the Trustees. If none of the bonds secured hereby can be so purchased, the Trustees in the manner provided in Article VI hereof shall by lot select bonds to be redeemed to an amount sufficient to approximately exhaust the funds so held by them; after which the bonds so selected shall in all things be subject to the provisions of Article VI hereof and redeemable in the manner therein provided; such redemption to be made on the first interest payment date occurring ninety days or more after the receipt of such funds by the Trustees.

No bond which may be paid, bought or redeemed under this or any other Article hereof shall be reissued, but the same shall be cancelled by the Trustees and delivered to the Company for preservation.

ARTICLE XI.

All moneys which may be received as compensation for any property or right of the Company which may be taken by the exercise of the power of eminent domain or expropriation shall be paid to the Corporation Trustee and used for the retirement of bonds secured herein in accordance with Article VI or Article X hereof, excepting that if such condemnation or expropriation proceedings shall be defended by the Company its reasonable expenses and attorney's fees in making such de-

fense shall be deducted from any award and only the surplus paid over to the Corporation Trustee as herein provided.

But the Company shall not be entitled to have the release of any property covered hereby on account of bonds purchased with money coming through condemnation or expropriation proceedings.

ARTICLE XII.

If the Company or its successors or assigns shall well and truly pay or cause to be paid to the holders thereof the principal of all bonds secured hereby, or intended so to be, and the interest moneys to become due thereon respectively, at the time and in the manner specified in the said bonds and coupons, without deduction for United States, State, County, Municipal or other tax or taxes, or assessments, or other governmental charges which the Company may be required or permitted to pay or retain therefrom by any present or future law, according to the true tenor and effect thereof, or if at any time the Company shall acquire and cancel all of the bonds and interests coupons secured hereby, and pay off and discharge all obligations incurred hereunder including the payment of the reasonable charges and expenses of the Trustees, then these presents and the trusts hereby created, and all the estate, right title and interest hereby vested in the said Trustees, their successors and assigns,

in the property hereby conveyed shall cease and determine, as fully as if this mortgage had never been executed; and in that case, although it may not be necessary, yet the said Trustees or their successors in the trust, upon demand of the Company and the cancellation of the bonds and coupons hereby secured, shall and will execute and deliver to the Company all such instruments as may be necessary or reasonably requested to discharge and cancel this mortgage of record.

ARTICLE XIII.

The Trustees shall have the right at any time in their discretion, but not oftener than once in six months, except in case the timber has been damaged by fire or the other elements, then in which case, as often as in the opinion of the said Trustees and of Lyon, Gary & Company, it may be necessary, to cause an inspection of the lands and timber herein conveyed to see whether the property mortgaged hereunder has suffered any damage, or been trespassed upon, or whether there has been any unauthorized use of the timber or of the premises hereby conveyed or of the timber thereon; and the expense of any such investigation shall be borne and paid by the Company, but the Trustees shall not be required to have such an examination made unless upon the written request of the holder or holders of some one or more of the bonds secured hereby and then

outstanding, together with the written concurrence of Lyon, Gary & Company thereto, and unless such bondholder or bondholders first advance or pay to the Trustees the estimated cost of such inspection.

ARTICLE XIV.

If default shall be made in the payment of the principal of any of said bonds or in the payment of any interest money mentioned in said bonds or coupons, or any or either of them, when the same becomes due, or if the Company shall cut timber situate upon the mortgaged premises or any part thereof or cut any of the timber mortgaged hereunder, or suffer any of the same to be cut, otherwise than as herein provided, or permit any other waste of the mortgaged property, or shall fail to perform any other of the covenants in this mortgage or deed of trust contained, on its part to be performed, or to cause to be performed, and if such default shall continue for a period of sixty days, the Trustees may, and if thereunto requested in writing by the holders of ten (10) per centum in interest of the said bonds then outstanding, shall declare the principal of all the bonds hereby secured then outstanding to be, and the same shall thereupon become, immediately due and payable, anything contained in said bonds or herein to the contrary notwithstanding.

ARTICLE XV.

If default shall be made in the payment of any bond or coupons when the same become due (whether such default shall have continued for the period of sixty days or not), or if default be made in the payment of taxes, as is herein provided, and such default shall continue for the period of sixty days, the Trustees may, and upon the request in writing of the holders of ten (10) per centum in interest of the bonds and coupons then outstanding, and upon being indemnified to their satisfaction for any expenses and liabilities which they may incur, shall, as the agents and attorneys in fact of the Company herein, enter into and take full possession of the lands and all other property hereby mortgaged (except such as may have been theretofore released under the provisions of this instrument) and hold, use, manage, maintain and operate the same; collect and receive all moneys and revenues arising from such management and operation, and apply the same, first to the expenses of such operation, including reasonable compensation for their own services and for the services of their counsel, attorneys, agents and servants; second, to the maintenance, management and operation of the property, including the payment of taxes, assessments and other governmental charges, and, third, to the payment pro rata of any amount, principal or interest, that may be

due and in default upon said bonds, together with interest on overdue installments of interest, but not to the payment of any bond or coupon the time for payment of which may have been extended. In case all of the said payments shall be made in full, the Trustees after making such provisions as they may deem advisable for the next semiannual installment of interest and principal, shall restore to the Company the possession of the premises hereby conveyed. This power of entry may be exercised as often as occasion therefor shall arise pending the trust; and this power of attorney is and shall be irrevocable.

ARTICLE XVI.

In case (1) default shall be made in the due and punctual payment of any interest on any bond hereby secured, and any such default shall continue for a period of sixty days; or in case (2) default shall be made in the due and punctual payment of the principal of any bond hereby secured; or in case (3) the Company shall cut timber situate upon said mortgaged premises or any timber mortgaged hereunder or suffer the same to be cut otherwise than is herein provided and such default shall continue for a period of sixty days; or in case (4) default shall be made in the due observance or performance of any other covenant, condition or agreement herein required to be kept

or performed by the Company and such default shall continue for a period of sixty days, then and in every such case the Trustees, or either of them, (a) may enter upon and take possession of the mortgaged property or any part thereof, collect and receive all rents, issues, income and profits therefrom and operate and conduct the business of the Company to the same extent and in the same manner as the Company might do; (b) may cause this mortgage to be foreclosed and the mortgaged property, or any part thereof, to be sold; (c) may proceed to protect and enforce the rights of the Trustees and the bondholders hereunder whether for specific performance of any covenant, condition or agreement herein contained or in aid of the execution of any power herein granted or for the enforcement of such other appropriate legal or equitable remedy as may, in the opinion of counsel, be most effectual to protect and enforce the rights aforesaid; (d) shall be entitled as of right without notice to the appointment of a receiver of the mortgaged property, or any part thereof, and the Company does hereby irrevocably consent to such appointment; or (e) in addition to the remedies above provided, the Company hereby irrevocably appoints and constitutes said Trustees or either of them, or their successors, or either of them, the attorney in fact for the Company, and in its name, place and stead, and hereby authorizes and empowers said attorney

or attorneys in fact, without resort to legal proceedings, and without order of any court, to sell said property hereinbefore described, or any part thereof, at public outcry, either for cash, or part cash and part on deferred payments, or on any other terms deemed best by the said attorney or attorneys in fact, and in the usual manner of trustees' sales (at which sale the Company shall have the right to purchase), and to execute a conveyance or conveyances of the property or any portion thereof, and of the equity of the Company therein; this appointment of said attorney or attorneys in fact, being coupled with an interest, is and shall be irrevocable, and any corporation or person, successor to either or both of the Trustees herein named, shall succeed such Trustee as attorney in fact and be clothed with all the rights and powers conferred by this instrument upon the attorney or attorneys in fact herein appointed.

ARTICLE XVII.

The Company covenants that it will not apply for nor avail itself of any injunction nor of any stay proceedings, nor plead, nor in any way take advantage of any valuation law, appraisement law, stay law, or any other law, whether now in force or which may hereafter be enacted, which may in any way alter, impair or impede the rights or remedies of the holders of the bonds issued hereunder, or of the

Trustees as herein provided, or which shall affect or change the time, place, means or mode of perfecting or enforcing such rights or remedies and it hereby expressly waives all benefit and advantage of any and all such laws.

ARTICLE XVIII.

Upon any foreclosure sale of the property hereby mortgaged, or any part thereof, the purchaser, in making payment therefor, shall be entitled, after paying in cash so much as shall be necessary to cover the cost and expenses of the sale and of the proceedings incident thereto, and all other charges that may be decreed to be paid in cash, to appropriate and use toward the payment of the remainder of the purchase price any of the bonds or coupons issued hereunder, and entitled to participate in the proceeds of such sale, reckoning each bond or coupon so appropriated and used at such sum as shall be payable thereon out of the net proceeds of the sale; and proper receipts thereupon be given to the holders of such bonds or coupons for the amount so payable thereon, and the bonds and coupons, if the net proceeds of the sale shall be sufficient to pay them in full, shall be delivered up to the person making the sale, whether under the decree of the court or otherwise, for cancellation; or if the proceeds of the sale shall not be sufficient to pay such bonds or coupons in full, then proper endorsement shall be made thereon of the

amount so paid and they shall then be returned to the holders.

ARTICLE XIX.

Upon any foreclosure sale of the property hereby mortgaged the property shall be sold either as a whole or in parcels at the option of the Trustees conducting the foreclosure proceedings; and if in parcels the same shall be divided as shall be considered for the best interests of the bondholders by the said Lyon, Gary & Company, as may be evidenced in writing addressed to the Trustees or to the Court; or in case of such foreclosure sale the property may at the option of the Trustees be offered first by parcels designated as above, and then as a whole, that offer producing the highest price for the entire property to prevail—any law statutory or otherwise to the contrary notwithstanding. And the Company hereby expressly waives the right to require any such sale to be made by the acre, or in parcels, or the right to select such parcels.

In case of a foreclosure of this mortgage or deed of trust the proceeds shall be applied:

First, to the payment of all expenses of protecting and enforcing this trust, including reasonable compensation to the Trustees, and all expenses incurred by them in connection herewith, and including reasonable attorney's fees for any service that may be rendered either in protecting this trust or enforcing the same.

Second, to the payment pro rata of all the bonds and interest coupons secured hereby without preference of bonds over coupons or coupons over bonds, subject, however, to the provisions of Article V hereof; but only coupons that have matured and the earned portion of those next maturing shall be entitled to participate in such proceeds; and,

Third, the balance, if any there be, shall be paid to the Company or its order.

In case any foreclosure sale of the premises hereby mortgaged should fail to realize sufficient funds for the payment in full of the entire debt hereby secured, including all authorized expenses, court costs, attorneys' fees, et cetera, the balance remaining unpaid shall be and remain a valid, subsisting and enforceable obligation of and against the Company, and a deficiency judgment against the Company may be taken thereon, and the Court may direct in the decree of foreclosure of this mortgage that any balance which may remain unsatisfied after the sale of the mortgaged premises, and the application of the proceeds of said sale toward the payment of the mortgage indebtedness, together with costs and interest, shall be satisfied from any other property of the Company.

In case the proceeds of foreclosure sale of the premises hereby mortgaged should be insufficient to satisfy in full the mortgage debt hereby secured and then existing, together

with costs, attorneys' fees, and expenses of foreclosure and sale, then and in such event the Trustees herein named, or any successors to such Trustees, are hereby authorized to commence suit against the Company in any court of record (State or Federal) having jurisdiction of the amount involved, in any State or in any Judicial Circuit or District of the United States, and the then President of the said Lyon, Gary & Company is hereby irrevocably appointed the attorney in fact of the Company to enter the appearance of the Company in said suit, in which suit the said Trustees shall be entitled to judgment against the Company for the full amount of such deficiency, with interest at the rate of six per cent per annum, together with court costs and attorneys' fees, as aforesaid, and in any suit upon such judgment or upon any renewal thereof, to recover the amount of such judgment or the renewal of such judgment, such President is likewise authorized to enter the appearance of the Company and the Trustees are authorized to take judgment for the amount of said original judgment or renewal thereof together with interest thereon at the rate aforesaid, costs of court and attorneys' fees; and it is agreed that this clause shall be deemed a separate and independent clause of this instrument, and shall be treated and deemed as a contract entered into between the parties hereto to be governed by the laws of the State of Illinois to the same

effect as if this instrument had been entered into in said State and were to be performed there.

ARTICLE XX.

Except as may be herein expressly provided to the contrary, no right or remedy herein conferred upon or reserved to the Trustees shall be, or is intended to be such right or remedy herein provided shall be cumulative, and shall be in addition to every other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute; and every power and remedy given by this instrument to the Trustees may be exercised from time to time as often as may be deemed expedient. No delay or omission of the Trustees or bondholders to exercise any right or power, arising from any default, shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein.

ARTICLE XXI.

Every holder of any of the bonds secured hereby accepts the same subject to the express understanding and agreement that every right of action, whether at law or in equity, under this instrument, is vested exclusively in the Trustees, and under no circumstances shall the holder of any bonds or coupons, or any number of such holders, have any right to institute any action at law or any suit or proceeding in

equity, or otherwise, under this instrument, or upon any bond or coupon secured hereby, for the purpose of enforcing any covenant or remedy herein or in said bonds or coupons contained, or to foreclose this mortgage, except in case of refusal on the part of the Trustees to comply with any duty imposed on them in respect of any such covenant or foreclosure after demand by the holder or holders of such bonds or coupons and the production of such bonds or coupons by the holder thereof to the Trustees, or the furnishing by such holders of other evidence satisfactory to the Trustees that they are such holders, and the giving to the Trustees of indemnity satisfactory to them, securing them against liability by reason of the action requested; but no inaction by said Trustees upon any such request shall be deemed a refusal until after the expiration of a reasonable time and not less than twenty (20) days for the consideration thereof by said Trustees.

In every case in which the Trustees are authorized or required, under any provision of this instrument, to take any action upon the request of the holders of said bonds, the Trustees shall have the right to require the person or persons presenting such requests to furnish proof as to the ownership of such bonds as may be presented by him or them, by affidavit or other evidence satisfactory to the Trustees; and if such proof be so required, the said re-

quest shall be without effect until such proof shall be furnished.

ARTICLE XXII.

The Trustees herein named, or either of them, may resign or discharge themselves of and from the trust hereby created, by notice in writing to be given to the Company and published once a week for two consecutive weeks in a paper of general circulation published in the said City of Chicago, at least thirty days before such resignation shall take effect, or such shorter time as the party of the first part may accept as sufficient notice; but such resignation shall take effect immediately upon the appointment of new Trustees herein in place of the Trustees resigning if such new Trustees shall be appointed before the time limited by such notice.

The corporation of Lyon, Gary & Company may in like manner resign or discharge itself of the duty herein imposed upon it, in which case successors to its duties and authority shall be selected and appointed in like manner as successor Trustees hereunder may be selected and appointed.

ARTICLE XXIII.

In case the trust created hereby shall become vacant by reason of the resignation, incapacity or inability to act of the said Trustees, or either of them, or of any successor Trustee,

or otherwise (except as provided in the following Article hereof), it shall be lawful for the holders of the majority in amount of the bonds then outstanding to appoint a successor, or successors, by a writing by them signed, or, for any Judge of the United States Circuit Court for the Seventh Judicial Circuit in default of such appointment, to appoint such a successor, or successors, on the application of the holders of not less than one-tenth in amount of the said bonds then outstanding,—one Trustee always to be a private person, and the other to be a Trust Company, organized under the laws of the State of Illinois.

And upon any such appointment being made, and the said trust being accepted, such successors or substitute Trustees shall, without further act or deed, become vested with all and singular the estate, rights and powers, and shall perform all the duties of Trustees, in like manner, and with the same effect as if named in this instrument as Trustees;

ALWAYS PROVIDED, however, that the immediate successor, if any there be, to John K. Lyon, Trustee, shall be John W. Gary, of Chicago, State of Illinois, if said Gary will at the time accept such trust.

ARTICLE XXIV.

The holders of a majority in amount of the outstanding bonds secured by this instrument,

provided the Company shall join, (or the holders of three-quarters in amount of the bonds then outstanding hereunder without such joiner) may, by a writing under their respective hands and seals, change the Trustees and appoint new Trustees (one Trustee always to be a private person and the other to be a Trust Company organized under the laws of the State of Illinois, said John W. Gary to be the immediate successor Trustee to John K. Lyon), which instrument, when recorded in the proper offices for recording deeds and mortgages in Liberty County, State of Georgia, (and on payment to said Trustees of all charges and compensation to which they shall at that time be entitled hereunder including reasonable counsel and attorneys' fees) shall ipso facto, and without any further action, substitute such new Trustees in the place of the Trustees herein named, or in place of any successor Trustees, with all the rights, powers and privileges granted to the said Trustees under this instrument, and no conveyance from the old Trustees to the said Trustees thus appointed shall be necessary to convey the trust premises to such new Trustees, but the old Trustees shall and will, upon the request of such new Trustees, execute any conveyance necessary or proper in order to vest the said premises in such new Trustees.

In case of the death or resignation, or the incapacity or inability of the said John K.

Lyon to act as Trustee hereunder, the said Corporation Trustee and said Lyon, Gary & Company may in like manner, to wit, by writing properly executed and recorded, appoint another person in his place and stead, in which case such successor so appointed shall succeed to all the title, rights, powers and privileges herein or hereby conferred upon or vested in the said John K. Lyon (his immediate successor, however, to be the said John W. Gary), this being an alternative method of filling such vacancy, in addition to that above provided.

ARTICLE XXV.

It is expressly understood and agreed that no obligation whatever rests upon the Trustees to see to the recording of this instrument, nor to do any act suitable or proper to be done for the continuing of the lien created hereby, nor to give notice of the existence of such lien, nor to do any act which, by the terms of this instrument, is required to be done by some party hereto other than said Trustees. Said Trustees shall be under no duty or obligation not affirmatively expressed on the face of these presents. Nor are said Trustees required by this instrument to take any action nor do any act made requisite by statute for protecting, perpetuating or keeping good the lien of these presents upon the land, premises and property or any part thereof, hereby conveyed or intend-

ed so to be; nor shall the said Trustees be held responsible for the consequence of any breach by the Company or by its agents or servants of any of the covenants herein or in said bonds contained, on the part of said party of the first part to be kept and performed, nor for or on account of any act of the Company or of its agents or servants, of any kind, character or nature whatsoever. Said Trustees shall have no responsibility as to the validity of this mortgage or deed of trust, nor as to the execution or acknowledgment thereof, nor as to the amount or extent of the security afforded by the property covered hereby; nor shall said Trustees in any other manner, or under any circumstances, be answerable or accountable, except for bad faith; it being expressly understood and agreed that the recitals herein contained are made by and on behalf of the said party of the first part and that the Trustees are not responsible for the correctness thereof.

Said Trustees shall not be under any obligation to take any action toward the execution or enforcement of the trust hereby created, which, in their opinion, would be likely to involve them in expense or liability, nor to defend any suit, unless one or more of the holders of the bonds hereby secured shall, as often as required by the said Trustees, furnish them with reasonable and satisfactory indemnity against such expense or liability; nor shall the said Trustees be required to take notice of

any default hereunder, unless notified in writing of such default by the holders of at least ten (10) per centum of the amount of the bonds hereby secured and then outstanding, nor to take any action in respect of any default unless requested to take such action by writing, signed by the holders of as great a proportion of said bonds and be tendered indemnity as aforesaid, anything herein contained to the contrary notwithstanding; but neither any such notice or request, nor this provision therefor, shall affect any discretion herein given to the said Trustees to determine whether or not they will take action in respect to such default, or to take action without such request.

The Trustees shall be protected in acting upon any request, consent, certificate, bond, affidavit, or other paper or document believed by them to be genuine and to be signed by the proper party or parties.

Said Trustees shall be entitled to be reimbursed for all proper outlays of every sort and nature by them incurred, or for which they may be obligated in the discharge of this trust, and to receive a reasonable and proper compensation for any duties that they may at any time perform in the discharge of the same, and shall have a lien therefor upon the mortgaged property, prior and paramount to the bonds hereby secured.

All expenses, fees, taxes and disbursements of any kind which have been made, or which

may be made or incurred by the Trustees in order to comply with any law or laws of the State of Georgia respecting foreign corporations, or relating to the right, authority, or qualification of the Trustees to accept this trust and perform their duties hereunder, and all liabilities and expenses which may be incurred by them, and all penalties, judgments or forfeitures which may be assessed, levied, or recovered against the Trustees for failure to comply with any such law or laws shall be a charge and shall constitute a lien upon the mortgaged property and premises prior and paramount to the bonds hereby secured. In case at any time it shall be necessary and proper for the said Trustees, or their successors, to make any investigation respecting any facts, preparatory to taking or not taking any action, or doing or not doing anything under this deed of trust, the certificate of the said party of the first part under its corporate seal and sworn to by its President, Treasurer or Secretary, shall be sufficient evidence of such fact to protect the said Trustees, or their successors, in any action that they may take or decline to take by reason of the supposed existence of such fact.

Unless it shall in writing expressly agree to do so, the Corporation Trustee shall not be obligated to pay interest on any sum of money which may be deposited with it under any of the provisions of this instrument, but if said

Corporation Trustee shall in writing expressly agree to pay interest on any such deposits, the amount of such interest shall be credited to or paid into the fund for retiring bonds as provided for herein.

ARTICLE XXVI.

John K. Lyon, one of the parties of the second part, has been appointed as Trustee hereunder so that if by any present or future law in any jurisdiction in which it may be necessary to perform any act in the execution of the trusts hereby created, the Corporation Trustee, or its successor, or successors, may be incompetent or unqualified or unable or unwilling to act as such Trustee, then all of the acts required to be performed in such jurisdiction in the execution of the trusts hereby created shall and will be performed by said John K. Lyon as Trustee, or his successor, or successors, acting alone. Except as it may be deemed necessary for said John K. Lyon, his successor, or successors, to solely execute the trusts hereby created, Union Trust Company, Trustee, or its successor, or successors, may solely have and exercise the powers and shall be solely charged with the performance of the duties hereinbefore declared on the part of the Trustees to be had and exercised, or to be performed. Any request in writing by the Corporation Trustee, or by any Trustee appointed

in succession to it, to the said John K. Lyon, Trustee hereunder, or to any Trustee appointed in succession to him, shall be sufficient warrant for the individual Trustee, or his successor, taking such action as may be so requested, and shall relieve him of all liability in the premises. Such individual Trustee, or his successor, may delegate to the Corporation Trustee herein named, or its successor, the exercise of any power discretionary or otherwise conferred by any provisions of this instrument. And it is further provided that neither of the Trustees herein named, nor any successor Trustee to either of them, shall be liable for any default or act of omission or commission of any co-trustee.

ARTICLE XXVII.

The word "Trustees" as used in this instrument shall be held and construed to mean the Trustees herein named, or their successor or successors for the time being in the trust hereby created; the words "the Company" shall be held and construed to mean Southern Timber Company, its successors and assigns.

And wherever the name "Lyon, Gary & Company" is used herein it shall be held and construed to mean Lyon, Gary & Company, the present Illinois corporation, or such person, firm or corporation as may succeed said corporation according to the terms of this instrument.

ARTICLE XXVIII.

Union Trust Company and John K. Lyon hereby accept the trusts herein and hereby declared and created, and agree to perform the same upon the terms and conditions hereinbefore set forth.

IN WITNESS WHEREOF, the said Southern Timber Company and the said Union Trust Company have caused this instrument to be executed in their corporate names by their respective Presidents or Vice-Presidents, and their corporate seals, duly attested by their respective Secretaries, to be hereunto affixed, and the said John K. Lyon has likewise executed the same, all in the presence of witnesses, on the day and year first above written.

SOUTHERN TIMBER COMPANY.

Attest: { CORP. } By W. J. ROBERTSON,
 { SEAL } *Its Vice-President.*

T. F. COOK,
Its Secretary.

Signed, sealed and delivered by
Southern Timber Company in the
presence of:

D. G. HEIDT, JR.,
EDW'D E. BARTHELL.

{ SEAL SUPERIOR
 COURT, LIBERTY
 CO., GEORGIA } J. B. FRASER,
*Clerk Superior Court, Liberty
 County, State of Georgia.*

UNION TRUST COMPANY,

Attest: { CORP. } By F. L. WILK,
 { SEAL } *Its Vice-President.*

RUFUS F. CHAPIN,
Its Secretary.

Signed, sealed and delivered by
Union Trust Company in the pres-
ence of:

FRED W. LOW,
F. P. SCHRULER, { NOTARY'S }
H. L. BENSON, { SEAL }
Notary Public, Cook County, State of
Illinois.

JOHN K. LYON, L. S.

Signed, sealed and delivered by
John K. Lyon, in the presence of:

W. K. FIFIELD,
CALVIN FENTRESS, { NOTARY'S }
FRED C. STROBEHN, { SEAL }
Notary Public, Cook County, State of
Illinois.

I, J. B. Fraser, Clerk of the Su-
perior Court of Liberty County,
State of Georgia, hereby certify
that the foregoing mortgage was
filed in my office for record at 1:30
o'clock p. m., on the 19th day of No-
vember, 1910, and that the same

has been duly recorded at pages 255
to 271 inclusive in Mortgage Book
A-H.

This November 19, 1910.

{	COURT, LIBERTY SEAL SUPERIOR CO., GEORGIA	}	J. B. FRASER, <i>Clerk Superior Court, Liberty County, State of Georgia.</i>
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FIRST MORTGAGE

FISCHER LUMBER CO.
TO
UNION TRUST COMPANY
AND
JOHN K. LYON
TRUSTEES.

DATED JANUARY 2, 1911

TO SECURE \$40,000 SIX PER CENT GOLD BONDS,
DATED JANUARY 2, 1911.

THIS INSTRUMENT, made and entered into this second day of January, A. D. 1911, by and between *Fischer Lumber Co.*, a corporation organized and existing under and by virtue of the laws of the State of Oregon (sometimes hereinafter for brevity called the Company), party of the first part, and *Union Trust Company*, a corporation organized and existing under and by virtue of the laws of the State of Illinois (sometimes hereinafter referred to as the Corporation Trustee), and *John K. Lyon*, of Hubbard Woods, Cook County, State of Illinois, as Trustees, parties of the second part,

WITNESSETH:

WHEREAS, FISCHER LUMBER Co. is the owner of certain timber, lands, logging rights, logging plant, logging flumes, a planing mill and a saw-mill, with their equipment and appurtenances in Lane and Linn Counties, State of Oregon; and has full power and authority under its charter and the laws of the State of Oregon to borrow money for the transaction of its business in the exercise of its corporate powers, to issue its negotiable bonds to evidence the indebtedness thus incurred, and to mortgage its property to secure the payment of the same; and

WHEREAS, by the unanimous action of its Board of Directors, concurred in by the owners and holders of its entire capital stock (both of which actions have been duly taken and ex-

pressed according to law) the Company has resolved to borrow money for its corporate purposes, and to issue and dispose of its negotiable mortgage bonds therefor; and to secure the payment of said bonds, together with interest thereon, by a mortgage or deed of trust in the form of this instrument upon its property hereinafter described, together with the rents, issues and profits of the same, and which mortgage or deed of trust shall be a first lien thereon; and

WHEREAS, by unanimous action of its Board of Directors, concurred in by the owners and holders of its entire capital stock (both of which actions have been duly taken and expressed according to law) the Company has further resolved that said bonds shall bear date January 2, 1911, shall be for the aggregate amount of Forty Thousand (40,000) Dollars, shall be 40 in number; numbered consecutively from 1 to 40, both numbers inclusive, shall be of the denomination of \$1,000; shall become due and payable as follows, to wit:

Bonds Numbered.	Total Amount	Maturities.
1 to 5 inclusive.....	\$5,000.....	July 1, 1912;
6 to 10 inclusive.....	\$5,000.....	January 1, 1913;
11 to 15 inclusive.....	\$5,000.....	July 1, 1913;
16 to 20 inclusive.....	\$5,000.....	January 1, 1914;
21 to 25 inclusive.....	\$5,000.....	July 1, 1914;
26 to 30 inclusive.....	\$5,000.....	January 1, 1915;
31 to 35 inclusive.....	\$5,000.....	July 1, 1915;
36 to 40 inclusive.....	\$5,000.....	January 1, 1916;

all of which bonds shall be payable to bearer (unless registered), in gold coin of the U. S.

of America of the standard of weight and fineness existing on January 2, 1911, notwithstanding any law which may now or hereafter make anything else legal tender in payment of debts, at the office of Ladd and Tilton Bank in the City of Portland, State of Oregon, or at the option of the holder at the banking house of Union Trust Company in the City of Chicago, State of Illinois, together with interest on said bonds at the rate of six (6) per centum per annum, which interest shall be similarly payable in like gold coin July 1, 1911, and semiannually thereafter on the first day of January and the first day of July in each year until the principal sum shall be fully paid, upon the presentation and surrender of the coupons annexed to each of said bonds as they respectively become due, at the places of payment of the principal of said bonds; that the said bonds shall be executed in the name of the Company by the President (or the Vice President) and the Secretary of the Company, with its corporate seal affixed, and that the coupons issued to evidence the interest upon said bonds until their maturity shall be authenticated by the signature of the present Treasurer of the Company; and that each of said bonds, and each of the coupons thereto attached, and the Trustee's and Registrar's certificates endorsed thereon shall be substantially in the forms following, to wit:

UNITED STATES OF AMERICA.

STATE OF OREGON.

\$1000

Number————

\$1000

FISCHER LUMBER Co.

First Mortgage Six Per Cent. Gold Bond.

For value received FISCHER LUMBER Co. (hereinafter called the Company), a corporation organized and existing under the laws of the State of Oregon, hereby promises to pay to the bearer hereof, or in case this bond be registered, then to the registered holder hereof, One Thousand Dollars, on the first day of, 19...., and to pay interest thereon from the date hereof at the rate of six (6) per centum per annum payable semi-annually on the first day of January and the first day of July in each year, upon the presentation and surrender of the coupons hereto annexed as they severally become due, both principal and interest being payable at the office of Ladd and Tilton Bank in the City of Portland, State of Oregon, or at the option of the holder hereof, at the banking house of Union Trust Company in the City of Chicago, and State of Illinois, in gold coin of the United States of America, of or equal to the present standard of weight and fineness, notwithstanding any law which may now or hereafter make anything else legal tender for the payment of debts,

without deduction for any United States, State, County, Municipal or other tax or taxes or governmental or other charges, which the Company or its successors or assigns, or the Trustees or either of them hereinafter mentioned, may be required or permitted to pay, or to deduct or retain therefrom under or by reason of any present or future law.

This bond is one of a series of 40 bonds in denominations of \$1,000, numbered consecutively from 1 to 40, both numbers inclusive, maturing at divers dates during the period from July 1, 1912, to January 1, 1916, both dates inclusive, amounting in the aggregate as to the principal thereof, to \$40,000, issued under the provisions and all equally secured by a first mortgage or deed of trust dated January 2, 1911, duly authorized, executed, acknowledged and delivered by the Company to Union Trust Company of Chicago, Illinois, and John K. Lyon, of Hubbard Woods, Cook County, Illinois, as Trustees, which mortgage or deed of trust conveys timber, lands, logging rights, a logging plant, a planing mill and a saw-mill, with their respective equipment and appurtenances, and other property, in the Counties of Lane and Linn, in the State of Oregon, and which has been properly recorded in both of said counties. For a more complete description of the property thereby mortgaged; the nature and extent of the security; the description of the bonds thereby secured and the

rights of the holders thereof under the same and the terms and conditions upon which said bonds are issued, reference is hereby made to said mortgage or deed of trust with the same force and effect as if the provisions thereof were herein fully set forth.

In the manner provided in said mortgage or deed of trust, this bond may be redeemed at the election of the Company, at any interest payment date before its date of absolute maturity upon payment to the holder hereof, or to Union Trust Company, one of the Trustees thereunder, for the benefit of such holder, of the principal hereof together with all interest due hereon at the date fixed for such redemption, and a premium of three (3) per centum on the principal hereof, and in event of default as defined in the aforesaid mortgage or deed of trust, the principal of this bond may be declared and become due and payable in the manner and with the effect therein provided.

This bond shall pass by delivery unless registered, but it may be registered as to the principal hereof in the holder's name on registration books kept for that purpose by the said Union Trust Company, Registrar, such registry being noted hereon by said Registrar, after which only such registered holder shall be entitled to receive the principal hereof; and if registered no subsequent transfer hereof shall be valid, unless made on said Registrar's books and similarly noted hereon; but the same may

be discharged from registry by transfer to bearer, after which it shall be transferable by delivery. It may be registered again, however, in the manner above provided. The registry of this bond shall not impair the negotiability of the coupons, but they shall continue to be transferable by delivery notwithstanding such registration.

The Company hereby consents in case of the foreclosure of the mortgage or deed of trust given to secure the payment of the said bonds, to the entry of a deficiency judgment against it, and that the court may direct in any decree of foreclosure of said mortgage or deed of trust that any balance due with costs and interest, which may remain unsatisfied after the sale of the said mortgaged premises and the application of the proceeds of such sale toward the payment of the said bonds, shall be satisfied from any of its property.

This bond shall not be obligatory for any purpose until it shall have been authenticated by the certificate of Union Trust Company, one of the Trustees under said mortgage or deed of trust, indorsed hereon.

IN WITNESS WHEREOF, Fischer Lumber Co. has caused this instrument to be signed in its corporate name by its President and its corporate seal to be hereunto affixed and attested by its Secretary, and the interest coupons hereto attached to be authenticated by the signature of its Treasurer, this second day of January, 1911.

FISCHER LUMBER Co.,
 By.....
Its President.

Attest:

.....
Its Secretary.

\$30

COUPONS.

On the first day of....., 19....,
 Fischer Lumber Co., an Oregon corporation,
 will pay to bearer Dollars
 in gold coin of the United States of America of
 the standard existing on January 2, 1911, at
 the office of the Ladd and Tilton Bank in the
 City of Portland, State of Oregon, or at the
 holder's option at the banking house of Union
 Trust Company in the City of Chicago, State
 of Illinois, without deduction for taxes, being
 six months' interest due that date on its first
 mortgage gold bond of January 2, 1911, No.

.....
 Treasurer.

TRUSTEE'S CERTIFICATE.

This is to certify that this is one of the bonds
 described in and secured by the mortgage or
 deed of trust within referred to.

UNION TRUST COMPANY, *Trustee,*

By.....

ment of the within bond and of the interest coupons thereto attached, whenever they may become due or payable, whether by lapse or expiration of time, or by declaration of prior maturity under the provisions of the mortgage or trust deed given to secure their payment, or by the terms of any extension of the time of payment in whole or in part; authorizing the maker, its successors or assigns, without notice to us or to any one of us, to obtain any extension or extensions which it may see fit; and we also agree that in case of nonpayment thereof whenever the same may so become due, suit may be brought against us or any one or more of us, whether or not suit has been brought against the maker, and that in any such suit the maker may be joined with us or any one or more of us, at the option of the plaintiff in such suit.

.....

AND WHEREAS, all things necessary to make said bonds when executed by the Company and certified by the Corporation Trustee, a valid, binding, legal, negotiable obligation of the Company, and this instrument a valid mortgage to secure the payment thereof, have been done, happened and been performed:—

Now, THEREFORE, for and in consideration of One Dollar in hand paid by the parties of the second part to the party of the first part, the receipt whereof is hereby acknowledged, and the other considerations herein expressed, and in order to secure the payment of the principal and interest of all of said bonds above described, at any time outstanding, according to their tenor and effect, and to secure the performance of all the covenants and conditions herein contained, and to declare the terms and conditions upon which said bonds are issued or to be issued, and for and in consideration of the acceptance or purchase of said bonds or any of them, by whomsoever may be or become the holders thereof, the said Fischer Lumber Co. has executed and delivered these presents, and hereby grants, sells, bargains, aliens, releases, conveys, assigns, warrants, transfers, and mortgages unto said Union Trust Company and John K. Lyon, Trustees, their successors and assigns, with full subrogation to any and all warranties or rights in action against previous vendors or holders or other persons, the following described timber, lands, logging rights, logging plant, logging apparatus, planing mill with its plant, equipment and appurtenances, saw-mill with its plant, equipment and appurtenances, and other property, lying, being and situate in Lane and Linn Counties, State of Oregon, to wit:

Lots One (1) and Two (2) of Section
 Four (4)
 being the North half of the North-
 east quarter of said Section Four (4).
 South half of Northeast quarter of Sec-
 tion Four (4)
 Southeast quarter of Section Four..... (4)
 Lots Four (4), Five (5), Six (6), and
 Seven (7) of Section Six..... (6)
 being the West half of the West half
 of said Section Six (6).
 South half of Northeast quarter of Sec-
 tion Six..... (6)
 North half of Southeast quarter of Sec-
 tion Six..... (6)
 West half of Section Eight..... (8)
 Southeast quarter of Section Eight..... (8)
 all in Township Sixteen (16) South of Range
 Two (2) West of the Willamette Meridian.

Also the following land, to wit, Lot One (1)
 of Section Twenty-four (24) in Township Six-
 teen (16) South, Range Two (2) West of the
 Willamette Meridian, including the planing
 mill plant thereon, known as the Fischer Plan-
 ing Mill, together with its equipment and ap-
 purtenances;

Also the Northeast quarter of the Southeast
 quarter of Section Ten (10) in said Township
 Sixteen (16) South, Range Two (2) West of
 the Willamette Meridian, including the saw-
 mill plant thereon, known as the Fischer Saw

Mill, together with its equipment and appurtenances;

Also the flumes running across Sections Eleven (11), Thirteen (13) and Fourteen (14) in said Township Sixteen (16) South of Range Two (2) West of the Willamette Meridian, together with all logging rights, rights of way and other rights which the Company has in or to any portion of said Sections 11, 13 and 14, including the right to perpetually maintain and operate said flumes.

All of said property lying, being and situate in the Counties of Lane and Linn, State of Oregon, and the same being hereby conveyed whether the same or any portion thereof lies in either one or both of said Counties.

Also all dry kilns, dry sheds, boilers, engines, donkey engines, railroad track, cars, locomotives, electric light plant, power houses, machine shops, water works, and all other buildings of every kind, and all machinery and equipment now or hereafter used in connection with said saw-mill plant, logging plant, or said planing mill plant above described, together with all betterments, additions and improvements of every nature and description hereafter placed upon said premises, and used or intended to be used in connection therewith.

TO HAVE AND TO HOLD all and singular the above described property and rights, together with all the rights, title and interest thereunto belonging, and all the privileges and appurte-

nances thereunto appertaining, and together with all other property which by the terms hereof may become subject to this instrument, unto the said Union Trust Company and the said John K. Lyon, Trustees, their successors in trust, and their assigns in fee simple forever. And the party of the first part covenants that it is seized and possessed of the property above described and conveyed in fee simple; that the same is unencumbered and that it has a good right to convey it; and it warrants to forever defend the title thereto unto the said Trustees, their successors and assigns, against the lawful claims of all persons whomsoever—

In trust nevertheless for the purpose of securing the prompt and punctual payment of all and every of the bonds above described and of the interest coupons thereto attached, without preference or priority of one bond over another, or of bonds over coupons, or of coupons over bonds, with the same effect as if all of said bonds matured upon the same date, and regardless of the date or time of the issue or negotiation thereof; and subject to the following provisions, restrictions and conditions, to wit:

ARTICLE 1.

All of the bonds issued and certified hereunder shall stand upon equality without regard to date of issue, certification or delivery. Only such bonds as shall bear thereon endorsed the

certificate of the Corporation Trustee or its successor hereunder, by it duly executed, shall be valid or obligatory for any purpose or shall be secured by this instrument or entitled to any lien or benefit hereunder, and every such certificate of said Corporation Trustee upon any bond executed in behalf of the Company shall be the only and conclusive evidence that the bond so certified has been duly issued hereunder and is entitled to the benefit of the trust hereby created, and no holder of any bond issued hereunder which shall be so certified by said Corporation Trustee shall be under a duty to ascertain whether the same shall have been duly issued, certified and delivered, according to the provisions hereof.

The entire issue of said bonds shall be executed by the Company and at once certified and delivered by said Corporation Trustee to the President of the Company or to such person or persons as the Board of Directors of the Company by its resolution may designate.

Upon certifying or delivering any bond under this mortgage or deed of trust all coupons thereon then matured shall be detached and cancelled by the Corporation Trustee and delivered to the Company.

In case the officers who shall have signed and sealed any of the bonds aforesaid shall cease to be such officers of the Company before the bonds so signed and sealed shall have been actually certified and delivered by the Corpora-

tion Trustee, or issued, such bonds may nevertheless be issued, certified and delivered as though the persons who had signed and sealed such bonds had not ceased to be officers of said Company.

Interest coupons shall be authenticated by the signature of the present Treasurer of the Company, and the Company may adopt and use said coupons, notwithstanding the fact that the present Treasurer may have ceased to hold such office at the time when said bonds or some portion thereof, shall be actually certified and delivered.

The Trustees shall not be bound to see to the application, use or disposition of any of the bonds secured hereby, or of the proceeds thereof.

ARTICLE II.

In case any bond issued under this instrument or the coupons thereto appertaining, shall become mutilated, lost or destroyed, the Company in its discretion may issue and thereupon the Corporation Trustee shall certify and deliver a new bond of like date, tenor and amount, bearing the same number as the one mutilated, lost or destroyed, in exchange for and in place of and upon the cancellation of the mutilated bond or coupons, or in lieu of and substitution for the same, if lost or destroyed. In such case the applicant for such new or substituted bond shall bear the expense of furnishing the same.

The Company shall not be required to issue nor the Corporation Trustee to certify a new bond in lieu of any bond alleged to have been lost or destroyed unless the applicant for such new bond shall first furnish evidence of such loss or destruction, and indemnity against its subsequent presentation as an obligation of the Company, which evidence and indemnity shall be satisfactory to both the Company and the Corporation Trustee, in their discretion.

ARTICLE III.

Any bond secured hereby shall pass by delivery unless registered, but it may be registered as to principal in the holder's name on the books of the Union Trust Company, Registrar, at its office in the City of Chicago, Illinois, such registry being noted on the bond by said Registrar, after which only such registered holder, or the legal representative of such holder, shall be entitled to receive the principal thereof; and no transfer shall be valid unless made on said Registrar's books by the registered holder of the bond in person or by the legal representative of such holder and similarly noted on the bond; but the bond may be discharged from registry by registration to bearer after which it shall be transferable by delivery. It may be registered again, however, in the manner above provided.

The registry of any bond shall not impair

the negotiability of the coupons, but the same shall continue to be transferable by delivery notwithstanding such registration.

ARTICLE IV.

Fischer Lumber Co. agrees and covenants that it will duly and punctually pay, or cause to be paid, to every holder of any bond issued hereunder and secured hereby the principal and interest accrued thereon, all in gold coin of the United States of America of the standard of weight and fineness existing on the second day of January, 1911, notwithstanding any law which may now or hereafter make anything else a legal tender in payment of debts, at the dates and places, and in the manner mentioned in said bonds or in the coupons thereto appertaining, according to the true intent and meaning thereof, and without deduction from either the principal or interest for any tax, or taxes, or assessments, or other governmental charges which may be imposed thereon, or which the Company may be required or permitted to pay or to deduct or retain therefrom under or by reason of any present or future law of the United States, or of any State, County or Municipality thereunder.

However, the interest on said bonds shall be payable only upon the presentation and surrender of the respective coupons annexed to said bonds, as such coupons respectively ma-

ture and when and as paid all the coupons shall forthwith be cancelled and delivered to the Company.

Said Company further covenants that in case of its failure to promptly and punctually pay the said bonds and interest coupons, or any of them, whenever they may become due and payable, whether by the lapse of time or otherwise, it will pay, and it hereby promises and agrees to pay in addition to the costs and disbursements otherwise allowed by statute or other law, such additional sum or sums in like gold coin as may be adjudged reasonable for attorneys' fees to be allowed in any suit or action that may be instituted to collect the same.

And the Company agrees promptly, and in time to prevent any sale or forfeiture of the mortgaged premises or any part of the same on account thereof, to pay, or cause to be paid, all taxes, assessments and governmental charges which shall from time to time be legally imposed, assessed or levied, upon or against the property hereby conveyed, or upon any part thereof, or upon the profits or income thereof; and to promptly pay all taxes or governmental charges that may be levied or assessed on this mortgage and on the debt secured hereby before said taxes become delinquent; and to pay or cause to be paid any judgment or other encumbrance, the lien whereof might be held superior to the lien of these presents, upon the property hereby conveyed or upon any part

thereof, so that the priority of these presents shall at all times be fully maintained and preserved; provided, however, that the Company may, with the consent of the Corporation Trustee thereto first had and obtained in writing, resist in any legal way the payment of any tax, assessment or charge upon said property hereby conveyed, or any part thereof, which the Company may deem unjust, illegal or unauthorized. And the Company agrees to do on demand of the said Trustee, or its successors, all acts necessary or proper to keep valid the lien hereby created or intended to be created; and at any future time and as often as it may be necessary to execute or cause to be executed on demand of said Trustee, or its successor or successors, all such other and additional deeds, mortgages, or other instruments in writing, in due form and effect, as may be proper to the better carrying out of the true intent and meaning of these presents.

And the Company further covenants and agrees that it will not cut nor permit to be cut any timber from the premises hereunder mortgaged, nor any timber hereunder mortgaged, nor extract anything from or deaden the said timber, or any portion thereof, nor permit the same to be done, nor permit any waste or other change in the property hereby mortgaged, or any portion thereof, except as is herein otherwise expressly provided, but that it will diligently preserve and protect the same.

In case the Company shall fail to promptly pay or cause to be paid any tax, assessment or other charge as provided for herein, either of the Trustees may pay the same (but shall not be under any obligation whatsoever so to do), in which event such Trustee shall be subrogated, either with or without an act, writing or other instrument to that effect, to the rights and demands of the state, county, city, town or other municipality, as the case may be; and in addition thereto the amount thus expended together with interest thereon at the rate of six per centum per annum, shall be a charge on the property hereby conveyed prior to the lien of the bonds hereby secured.

The Company covenants that its mill plants, equipment and appurtenances, and its flumes, logging apparatus and logging plant will be kept in repair and maintained in good working order and condition, and if worn out or injured will be replaced by other property suitable to the business for which it is now used, and of at least equal value, and that such mill plants, equipment and appurtenances, and such flumes, logging apparatus and logging plant shall not be removed from the mortgaged premises without the consent of the Trustees hereunder.

ARTICLE V.

The Company agrees that it will, at all times, during the existence of any of the indebtedness

secured hereby, keep or cause to be kept insured against loss by fire or cyclone, all of the buildings now on any portion of the property hereby mortgaged or which may hereafter be erected thereon, and all the machinery, equipment and apparatus used or provided for use in connection with said mill plants and equipment that are usually insured by companies or persons engaged in like business, and in the same manner, and to the same extent (but in an amount not less than Eight Thousand Dollars), and shall cause such insurance to be made payable in case of loss to the Trustees hereunder or their successors, by proper stipulation in the face of the policies therefor.

In case of loss or damage to any property covered by such insurance policies the Trustees may allow the amount of the insurance money received from said policies on account of such loss to be applied toward the replacement of, or addition to the property destroyed or damaged, if the Company shall in writing so request. In such case the Trustees shall from time to time pay to the Company any or all of the proceeds of such insurance money so collected or received; but no such payment shall be made until and unless the Trustees shall first be furnished with a statement or statements verified by the affidavits of the President or Vice-President of the Company showing that the Company has theretofore made actual expenditures to an amount equal to or greater

than the amount of insurance money sought to be thus obtained from the Trustees, in or about the repair or the replacement of the property damaged or destroyed for or on account of which such insurance money was collected; and all such repairs or replacements shall be and become subject to the lien of this instrument in like manner and to the same extent as was the property damaged or destroyed. The Trustees shall not be compelled to act upon such affidavits, but should they deem proper they may before making such payments of insurance money make or cause to be made such further investigations with reference to such expenditures, repairs or replacements, as they see fit.

But if within ninety days from the time of the collection of the proceeds of any such insurance policy the Company shall not in writing request the Trustees to hold such proceeds for the purpose of applying the same on such repairs or replacements, then the said sums so collected shall be credited to and become a part of the fund held by the Corporation Trustee for the purpose of retiring bonds hereby secured, as is provided in Article VII and other Articles hereof.

Likewise shall all surplus moneys be so applied in case the cost of repairs or replacements shall not equal the total amount of the proceeds collected from such insurance policies.

In case of loss covered by any policy of in-

surance, any appraisalment or adjustment of such loss, and settlement and payment of indemnity therefor, which may be agreed upon between the Company and any insurance company, may be consented to and accepted by the Trustees.

The Trustees shall be in no way liable or responsible for a failure to collect any insurance money that may become due them under the provisions hereof, or of the policies above referred to, but only for such amounts as may come into their hands as the proceeds of such policies.

ARTICLE VI.

In order to prevent any accumulation of bonds or coupons after their maturity, the Company covenants and agrees that it will not directly or indirectly extend or assent to the extension of the time for payment of any of the bonds or of any coupons of any of the bonds secured hereby, by purchase or funding of such bonds or coupons or by any other arrangement unless and except such extension shall be subject to the terms of this article. In case the time for payment of any such bond or coupon shall be so extended, whether or not such extension be with or by the consent of the Company, such bond or coupon shall not be entitled, in case of any default hereunder, to the benefit or security of this mortgage, except subject to the prior payment in full of the principal of

all bonds issued hereunder then outstanding, and of all matured coupons and accrued interest thereon, and of all other accrued interest on such bonds the payment of which has not been so extended.

ARTICLE VII.

The number first having been selected by lot by the Corporation Trustee, any outstanding bond issued hereunder may be redeemed and paid by the Company at the place of payment of said bonds on any interest payment date, upon payment of the principal of said bond and interest due thereon at the date of such redemption, together with a premium of three (3) per centum on the principal thereof. Such selection shall in every case be made from the bonds first maturing, no bond being subject to selection for redemption until all bonds of prior maturities have either been paid or selected for redemption. In case of an election to redeem any of the bonds issued hereunder before maturity and a selection pursuant to such election either the Company or the Corporation Trustee shall publish a notice of such election to redeem and the selection thereunder once a week for four successive weeks (the first of such publications to be not less than ninety days previous to the date of redemption) in some newspaper of general circulation published in the City of Portland, State of Oregon, and in a similar newspaper published in the

City of Chicago, State of Illinois, which notice shall state the numbers of the bonds selected as above to be redeemed, and the date when the bonds so selected shall be due and payable under such redemption. All bonds so designated for redemption shall become due and payable on the date given in such published notice, and shall from such date cease to draw interest, provided that at or prior to such date there shall have been deposited with the Corporation Trustee the proper amount of money for the redemption of said bonds so designated for redemption. Upon the deposit with the Corporation Trustee of the proper amount of money for the redemption of any bond or bonds so designated the Company and the Trustees may be privileged to consider such bond or bonds as paid and cancelled, and the Company shall be under no further obligation to the holder or holders of such bond or bonds; nor shall the Trustees be further liable or under obligation to such holder or holders except for the moneys deposited in redemption of such bonds, to be paid without interest upon their surrender.

ARTICLE VIII.

Subject to the right of suspension or revocation as provided in Article XI hereof and so long as the Company shall not be in default in the payment of any of the bonds or interest coupons secured hereby, or in the payment of

taxes or other governmental assessments or charges as provided in this mortgage, or in the performance of any of the other covenants herein contained on its part to be performed, the Trustees shall and are hereby authorized to release unto the Company and to permit the Company to cut and remove free from the lien of this mortgage, or deed of trust, any of the timber conveyed hereby, or the timber on any or all of the lands conveyed hereby, which the Company may select, when the Company shall have first paid to the Corporation Trustee One and Fifty-Hundredths (1 50-100) Dollars per thousand feet on the estimated stumpage for the timber on each description or group of descriptions which the Company then desires the right to cut, as the estimated stumpage thereon is shown on a list called "Estimated Stumpage List," signed in triplicate by the Company, by the Corporation Trustee and by Lyon, Gary & Company, an Illinois corporation, and one original of which list is deposited with each of the signatories thereto. Consideration for the privilege of obtaining such releases may be given by the Company in any of the following three ways:

- (a) By payment in cash.
- (b) By delivery to the Trustees of any of the bonds hereby secured and then outstanding, which it may have acquired; in which case, for the purpose of obtaining release the amount of the principal of such

bonds so delivered shall be treated the same as if a like amount had been paid to the Trustees in cash.

(c) By the payment of any of the bonds secured hereby—treating only the amount of principal paid as a consideration for releases.

In the event that the Company shall acquire and deliver bonds to the Trustees, as provided in paragraph (b) above, the Trustees shall cancel the said bonds so delivered and forming the consideration or part of the consideration for such releases and also the coupons attached thereto.

The Trustees shall keep a list of the numbers of all bonds so used for the purpose of securing releases of portions of the timber and shall indicate on each such bond that it has been so used—together with the date of such use.

All money received by the Corporation Trustee under this Article shall be used for the retirement of bonds secured hereby as provided in Article VII hereof.

The Company may enter upon any land from which the timber has been so released and may conduct logging operations thereon as it may desire; and the Company may also, at its pleasure, remove any logging railroad or other property which it may place on such land.

The Company covenants that it will keep proper books of record and account showing full, true and perfect entries of all dealings

or transactions of or in relation to the plants, properties, business and affairs of the Company, and which shall at all times be open to the inspection of the Trustees or either of them, and of Lyon, Gary & Company, or of their respective successors hereunder; and that whenever requested either by the Trustees or by Lyon, Gary & Company or their respective successors the Company shall and will furnish complete statements showing its financial condition, together with such other information bearing on the security of the bonds as may be requested.

ARTICLE IX.

In case before the payment in full of all the bonds hereby secured with interest thereon, any timber hereby mortgaged or the timber on any portion of the premises hereby mortgaged (except such as may have been theretofore released under the provisions of this instrument) shall be injured or damaged by the action of fire, or by wind or the other elements to an extent sufficient in the opinion of the Trustees or of Lyon, Gary & Company, to appreciably affect the value of the same as security for the payment of the bonds and coupons then outstanding, the Company shall within sixty days after the extent of such loss shall be determined, as in this Article hereinafter provided, pay to the Corporation Trustee for the

benefit of the bondholders the sum of Seventy-five (75) Cents per thousand feet stumpage on the timber so injured or damaged, the land descriptions on which the timber has been injured or damaged being ascertained by investigation under direction of the Trustees, and the amount of timber thereon so damaged, on which the payments of Seventy-five (75) Cents per thousand feet shall be made as above expressed, being determined by the estimates to be made by a cruiser to be selected by the Trustees with the written approval of Lyon, Gary & Company; the expenses of ascertaining such land descriptions and the amount of timber thereon so damaged to be paid by the Company and to be a charge against the property herein conveyed and secured by this mortgage.

The salvage of any timber so injured or damaged, and on account of which damage payments are made as above provided, shall remain subject to the terms of this instrument, notwithstanding such payments; but should the Company desire to cut and remove such timber, free from the lien or encumbrance of this instrument, it shall have the right to do so upon paying to the Corporation Trustee for the benefit of the bondholders, the additional sum of Seventy-five (75) Cents per thousand feet stumpage for any such damaged timber.

Should the Company not take and pay for the salvage of such damaged timber within one year from the time that it shall have been dam-

aged, the Trustees hereunder are authorized to dispose of the same at such price and on such terms as they may see fit, the proceeds thereof, less the expense connected therewith, to be held for the benefit of the bondholders as is provided in Article VIII hereof.

ARTICLE X.

All sums of money paid to the Trustees by the Company for the release of any portion of the timber hereby mortgaged, in accordance with any Article hereof, and all other sums which may come into the hands of the Trustees for the benefit of the holders of the bonds issued hereunder, shall be applied by the Trustees from time to time to the purchase of outstanding bonds issued hereunder at such prices as may be agreed upon by the Company and the Trustees. If none of the bonds secured hereby can be so purchased, the Trustees in the manner provided in Article VII hereof shall by lot select bonds to be redeemed to an amount sufficient to approximately exhaust the funds so held by them; after which the bonds so selected shall in all things be subject to the provisions of Article VII hereof and redeemable in the manner therein provided; such redemption to be made on the first interest payment date occurring ninety days or more after the receipt of such funds by the Trustees.

No bond which may be paid, bought or re-

deemed under this or any other Article hereof, shall be reissued, but the same shall be cancelled by the Trustees and delivered to the Company for preservation.

ARTICLE XI.

While the Company shall not be in default in the performance of any of the covenants in this instrument contained it may from time to time, subject to the conditions hereinafter stated, sell, free from the lien of this instrument, the timber on all or any part of the property by it mortgaged hereunder, in parcels of forty acres or more, upon the payment in cash of such sum or sums of money as the Company, the Trustees, and Lyon, Gary & Company may agree upon, which shall not be less than One and Fifty One-hundredths (150-100) Dollars per thousand feet stumpage based upon the estimates of the stumpage on said lands as shown in the Estimated Stumpage List referred to above.

And with the written consent of the Trustees and of said Lyon, Gary & Company, the Company may sell free from the lien hereof, all or any portion of the property hereunder mortgaged (excepting the mill plants) at such price and on such terms as may be approved in writing by the Company, the Trustees and Lyon, Gary & Company.

Either the Trustees or Lyon, Gary & Com-

pany may, in their discretion, cause such investigation to be made of the desirability of permitting or approving of any proposed sale or sales of the property or any part thereof, as they may see fit, and the expense of such investigation shall be borne by the Company. The Trustees shall execute such instruments as may be necessary to release from the lien of this instrument any property sold, according to the provisions of this Article.

And always further provided, however, that the right of the Company to sell the land or any portion of the same, as is in this Article provided, and the right of the Company to sell or procure the release of timber, in any quantities whatsoever, as provided in this or other articles hereof, may be suspended or revoked by the Trustees with the concurrence of Lyon, Gary & Company, in case of litigation arising over or affecting, or involving questions affecting or which may affect the title to as much as 320 acres of land embraced herein; or to either of the mill plants hereby mortgaged; said suspension or revocation being optional with the Trustees and Lyon, Gary & Company, and if the right is exercised, the same shall remain in effect until some settlement satisfactory to them of such litigation, or until other arrangement is made with reference thereto, which is satisfactory to them in their discretion.

The proceeds of the sale of any portion of the property covered hereby (that is the gross

amount of sale less reasonable commissions and expense connected with such sale) shall be paid and turned over to the Corporation Trustee, and shall be treated by the Trustees in like manner and used by them for the same purpose as are the payments provided for in Articles VII and X hereof.

Neither the Trustees nor Lyon, Gary & Company shall be under any liability for anything done (or omitted to be done) by them respectively in good faith hereunder.

ARTICLE XII.

All moneys which may be received as compensation for any property or right of the Company which may be taken by the exercise of the power of eminent domain or expropriation shall be paid to the Corporation Trustee and used for the retirement of bonds secured hereby in accordance with Article VII or Article X hereof, excepting that if such condemnation or expropriation proceedings shall be defended by the Company, its reasonable expenses and attorney's fees in making such defense shall be deducted from any award and only the surplus paid over to the Corporation Trustee as herein provided.

But the Company shall not be entitled to have the release of any property covered hereby on account of bonds purchased with money coming through condemnation or expropriation proceedings.

ARTICLE XIII.

If the Company or its successors or assigns, shall well and truly pay or cause to be paid to the holders thereof the principal of all bonds secured hereby, or intended so to be, and the interest moneys to become due thereon respectively, at the time and in the manner specified in the said bonds and coupons, without deduction for United States, State, County, Municipal or other tax or taxes, or assessments, or other governmental charges which the Company may be required or permitted to pay or retain therefrom by any present or future law, according to the true tenor and effect thereof, or if at any time the Company shall acquire and cancel all of the bonds and interest coupons secured hereby, and pay off and discharge all obligations incurred hereunder including the payment of the reasonable charges and expenses of the Trustees, then these presents and the trusts hereby created, and all the estate, right, title and interest hereby vested in the said Trustees, their successors and assigns, in the property hereby conveyed shall cease and determine, as fully as if this mortgage had never been executed; and in that case the said Trustees or their successors in the trust, on demand of the Company and the cancellation of the bonds and coupons hereby secured, shall execute and deliver to the Company all such instruments as may be necessary to discharge and cancel this mortgage.

ARTICLE XIV.

The Trustees shall have the right at any time in their discretion, but not oftener than once in six months, except and in case the timber herein conveyed or any portion of same shall have been damaged by fire or the other elements, then in which case as often as in the opinion of the Trustees and of Lyon, Gary & Company it may be deemed necessary, to cause an inspection of the lands and timber herein conveyed to see whether the property mortgaged hereunder has suffered any damage, or been trespassed upon, or whether there has been any unauthorized use of the timber or of the premises hereby conveyed or of the timber thereon; and the expense of any such investigation shall be borne and paid by the Company, but the Trustees shall not be required to have such an examination made unless upon the written request of the holder or holders of some one or more of the bonds secured hereby and then outstanding, together with the written concurrence of Lyon, Gary & Company thereto, and unless such bondholder or bondholders first advance or pay to the Trustees the estimated cost of such inspection.

ARTICLE XV.

If default shall be made in the payment of the principal of any of said bonds when the same become due or in the payment of any in-

terest money mentioned in said bonds or coupons, or any or either of them, when the same becomes due, or if the Company shall cut timber situate upon the mortgaged premises or any part thereof or cut any of the timber mortgaged hereunder, or suffer any of the same to be cut, otherwise than as herein provided, or permit any other waste of the mortgaged property, or shall fail to perform any other of the covenants in this mortgage or deed of trust contained, on its part to be performed, or to cause to be performed, and if such default shall continue for a period of sixty days, the Trustees may, and if thereunto requested in writing by the holders of ten (10) per centum in interest of the said bonds then outstanding, shall declare the principal of all the bonds hereby secured then outstanding to be, and the same shall thereupon become, immediately due and payable, anything contained in said bonds or herein the contrary notwithstanding.

ARTICLE XVI.

If default shall be made in the payment of any bond or coupons when the same become due (whether such default shall have continued for the period of sixty days or not), or if default be made in the payment of taxes, as is herein provided, and such default shall continue for the period of sixty days, the Trustees may, and upon the request in writing of

the holders of ten (10) per centum in interest of the bonds and coupons then outstanding, and upon being indemnified to their satisfaction for any expenses and liabilities which they may incur, shall, as the agents and attorneys in fact of the Company, enter into and take full possession of the lands and all other property hereby mortgaged (except such as may have been theretofore released under the provisions of this instrument) and hold, use, manage, maintain and operate the same; collect and receive all moneys and revenues arising from such management and operation, and apply the same, first to the expenses of such operation, including reasonable compensation for their own services and for the services of their counsel, attorneys, agents and servants; second, to the maintenance, management and operation of the property, including the payment of taxes, assessments and other governmental charges, and third, to the payment pro rata of any amount, principal or interest, that may be due and in default upon said bonds, together with interest at the rate of six per cent per annum on overdue installments of interest, but not to the payment of any bond or coupon the time for payment of which may have been extended. In case all of the said payments shall be made in full, the Trustees after making such provision as they may deem advisable for the next semiannual installment of interest and principal, shall restore to the Company the pos-

session of the premises hereby conveyed. This power of entry may be exercised as often as occasion therefor shall arise pending the trust; and this power of attorney is and shall be irrevocable.

ARTICLE XVII.

In case (1) default shall be made in the due and punctual payment of any interest on any bond hereby secured, and any such default shall continue for a period of sixty days; or in case (2) default shall be made in the due and punctual payment of the principal of any bond hereby secured; or in case (3) the Company shall cut timber situate upon said mortgaged premises or any timber mortgaged hereunder or suffer the same to be cut otherwise than is herein provided and such default shall continue for a period of sixty days; or in case (4) default shall be made in the due observance or performance of any other covenant, condition or agreement herein required to be kept or performed by the Company and such default shall continue for a period of sixty days, then and in every such case the Trustees, or either of them, (a) may enter upon and take possession of the mortgaged property, or any part thereof, collect and receive all rents, issues, income and profits therefrom and operate and conduct the business of the Company to the same extent and in the same manner as the Company might do; (b) may cause this mortgage to be fore-

closed and the mortgaged property, or any part thereof, to be sold; (c) may proceed to protect and enforce the rights of the Trustees and the bondholders hereunder whether for specific performance of any covenant, condition or agreement herein contained, or in aid of the execution of any power herein granted or for the enforcement of such other appropriate legal or equitable remedy as may, in the opinion of counsel, be most effectual to protect and enforce the rights aforesaid; (d) shall be entitled as of right without notice to the appointment of a receiver of the mortgaged property, or any part thereof, and the Company does hereby irrevocably consent to such appointment.

ARTICLE XVIII.

The Company covenants that it will not apply for or avail itself of any injunction or stay proceedings, or plead, or in any way take advantage of any valuation law, appraisement law, or any other law, whether now in force or which may hereafter be enacted, which may in any way alter, impair or impede the rights or remedies of the holders of the bonds issued hereunder, or of the Trustees as herein provided, or which shall affect or change the time, place, means or mode of perfecting or enforcing such rights or remedies; and it hereby expressly waives all benefit and advantage of any and all such laws.

ARTICLE XIX.

Upon any foreclosure sale of the property hereby mortgaged, or any part thereof, the purchaser in making payment therefor, shall be entitled, after paying in cash so much as shall be necessary to cover the cost and expenses of the sale and of the proceedings incident thereto, and all other charges that may be decreed to be paid in cash, to appropriate and use toward the payment of the remainder of the purchase price any of the bonds or coupons issued hereunder, and entitled to participate in the proceeds of such sale, reckoning each bond or coupon so appropriated and used at such sum as shall be payable thereon out of the net proceeds of the sale; and proper receipts shall thereupon be given to the holders of such bonds or coupons for the amount so payable thereon, and the bonds and coupons, if the net proceeds of the sale shall be sufficient to pay them in full, shall be delivered up to the person making the sale under the decree of the court, or otherwise, for cancellation; or if the proceeds of the sale shall not be sufficient to pay such bonds or coupons in full, then proper endorsement shall be made thereon of the amount so paid and they shall then be returned to the holders,

ARTICLE XX.

Upon any foreclosure sale of the property hereby mortgaged the property shall be sold

either as a whole or in parcels at the option of the Trustees conducting the foreclosure proceedings; and if in parcels the same shall be divided as shall be considered for the best interests of the bondholders by the said Lyon, Gary & Company, as may be evidenced in writing addressed to the Trustees or to the Court; or in case of such foreclosure sale the property may at the option of the Trustees be offered first by parcels designated as above, and then as a whole, that offer producing the highest price for the entire property to prevail—any law statutory or otherwise to the contrary notwithstanding. And the Company hereby expressly waives the right to require any such sale to be made by the acre, or in parcels, or the right to select such parcels.

In case any foreclosure sale of the premises hereby mortgaged should fail to realize sufficient funds for the payment in full of the entire debt hereby secured, including all authorized expenses, court costs, attorneys' fees, et cetera, the balance remaining unpaid shall be and remain a valid, subsisting and enforceable obligation of and against the Company, and a deficiency judgment against the Company may be taken thereon, and the Company hereby irrevocably consents that the Court may direct in the decree of foreclosure of this mortgage that any balance which may remain unsatisfied after the sale of the mortgaged premises, and the application of the proceeds of said sale to-

ward the payment of the mortgage indebtedness, together with costs and interest, shall be satisfied from any other property of the Company.

In case the proceeds of foreclosure sale of the premises hereby mortgaged should be insufficient to satisfy in full the mortgage debt hereby secured and then existing, together with costs, attorneys' fees, and expenses of foreclosure and sale, then and in such event the Trustees herein named, or any successors to such Trustees, are hereby authorized to commence suit in any court of record (State or Federal) having jurisdiction of the amount involved, in any State or Judicial Circuit or District of the United States, against the Company to recover judgment for the full amount of such deficiency with interest thereon at the rate of six per centum per annum from the date of such foreclosure sale, together with attorneys' fees and costs of court, and the then President of the said Lyon, Gary & Company is hereby irrevocably appointed the attorney in fact of the Company to enter the appearance of the Company in said suit, and to confess judgment in said suit in favor of the plaintiff therein and against the Company for the full amount of said deficiency, with interest at the rate of six per cent per annum, together with court costs and attorneys' fees, as aforesaid, and in any suit upon such judgment or upon any renewal thereof, to recover the amount of such

judgment or the renewal of such judgment, to likewise enter the appearance of the Company in any such suit and to confess judgment thereon for the amount of said judgment or renewal thereof with interest thereon at the rate aforesaid with costs of court and attorneys' fees, and it is agreed that this clause shall be deemed a separate and independent clause of this instrument, and shall be treated and deemed as a contract entered into between the parties hereto to be governed by the laws of the State of Illinois to the same effect as if this instrument had been entered into in said State and were to be performed there.

ARTICLE XXI.

In case of a foreclosure of this mortgage or deed of trust the proceeds shall be applied:

First, to the payment of all expenses of protecting and enforcing this trust, including reasonable compensation to the Trustees, and all expenses incurred by them in connection herewith, and including such reasonable attorneys' fees as may be allowed or adjudged by the Court for any service that may be rendered either in protecting this trust or enforcing the same.

Second, to the payment pro rata of all the bonds and interest coupons secured hereby without preference of bonds over coupons or coupons over bonds, subject, however, to the

provisions of Article VI hereof; but only coupons that have matured and the earned portion of those next maturing shall be entitled to participate in such proceeds; and,

Third, the balance, if any there be, shall be paid to the Company or its order.

ARTICLE XXII.

No delay or omission of the Trustees, or of any holder of bonds hereby secured, to exercise any right or power accruing upon any default, shall impair any such right or power, or shall be construed to be a waiver of any such default, or an acquiescence therein; and every such power and remedy given by this instrument to the Trustees, or to the bondholders, may be exercised from time to time and as often as may be deemed expedient by the Trustees or by the bondholders.

ARTICLE XXIII.

Except as may be herein expressly provided to the contrary, no right or remedy herein conferred upon or reserved to the Trustees shall be, or is intended to be exclusive of any other right or remedy, but every such right or remedy herein provided shall be cumulative, and shall be in addition to every other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute; and every power and remedy given by this instrument to

the Trustees may be exercised from time to time as often as may be deemed expedient. No delay or omission of the Trustees to exercise any right or power arising from any default shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein.

ARTICLE XXIV.

Every holder of any of the bonds secured hereby accepts the same subject to the express understanding and agreement that every right of action, whether at law or in equity, under this instrument, is vested exclusively in the Trustees, and under no circumstances shall the holder of any bonds or coupons, or any number of such holders, have any right to institute any action at law or any suit or proceeding in equity, or otherwise, under this instrument, or upon any bond or coupon secured hereby, for the purpose of enforcing any covenant or remedy herein or in said bonds or coupons contained, or to foreclose this mortgage, except in case of refusal on the part of the Trustees to comply with any duty imposed on them in respect of any such covenant or foreclosure after demand by the holder or holders of such bonds or coupons and the production of such bonds or coupons by the holder thereof to the Trustees, or the furnishing by such holders of other evidence satisfactory to the Trustees that they

are such holders, and the giving to the trustees of indemnity satisfactory to them, securing them against liability by reason of the action requested; but no inaction by said Trustees, upon any such request shall be deemed a refusal until after the expiration of a reasonable time and not less than twenty (20) days for the consideration thereof by said Trustees.

In every case in which the Trustees are authorized or required, under any provision of this instrument, to take any action upon the request of the holders of said bonds, the Trustees shall have the right to require the person or persons presenting such request to furnish proof as to the ownership of such bonds as may be presented by him or them, by affidavit or other evidence satisfactory to the Trustees; and if such proof be so required, the said request shall be without effect until such proof shall be furnished.

ARTICLE XXV.

So long as there shall be no default in any of the covenants in this instrument contained, the Company shall continue in the possession of all the property embraced herein, and hereby conveyed to the Trustees.

ARTICLE XXVI.

The Trustees herein named, or either of them, may resign or discharge themselves of

and from the trust hereby created, by notice in writing to be given to the Company and published once a week for two consecutive weeks in a paper of general circulation published in the said City of Chicago, and in a similar paper published in the said City of Portland, at least thirty days before such resignation shall take effect, or such shorter time as the party of the first part may accept as sufficient notice; but such resignation shall take effect immediately upon the appointment of new Trustees herein in place of the Trustees resigning if such new Trustees shall be appointed before the time limited by such notice.

The corporation of Lyon, Gary & Company may in like manner resign or discharge itself of the duty herein imposed upon it, in which case successors to its duties and authority shall be selected and appointed in like manner as successor Trustees hereunder may be selected and appointed.

ARTICLE XXVII.

In case the trust created hereby shall become vacant by reason of the resignation, incapacity or inability to act of the said Trustees, or either of them, or of any successor Trustee, or otherwise (except as provided in the following Article XXVIII hereof), it shall be lawful for the holders of the majority in amount of the bonds then outstanding to appoint a successor, or successors, by a writing by them signed, or,

for any judge of the United States Circuit Court for the Ninth Judicial Circuit in default of such appointment, to appoint such a successor, or successors, on the application of the holders of not less than one-tenth in amount of the said bonds then outstanding,—one Trustee always to be a private person, and the other to be a Trust Company organized under the laws of the State of Illinois.

And upon any such appointment being made, and the said trust being accepted, such successors or substitute Trustees shall, without further act or deed, become vested with all and singular the estate, right and powers, and shall perform all the duties of Trustees, in like manner, and with the same effect as if named in this instrument as Trustees.

ALWAYS PROVIDED, however, that the immediate successor, if any there be, to John K. Lyon, Trustee, shall be John W. Gary, of Chicago, State of Illinois, if said Gary will at the time accept such trust.

ARTICLE XXVIII.

The holders of a majority in amount of the outstanding bonds secured by this instrument, provided the Company shall join, (or the holders of three-quarters in amount of the bonds then outstanding hereunder without such joinder) may, by a writing under their respective hands and seals, change the Trustees and

appoint new Trustees (one Trustee always to be a private person, and the other to be a Trust Company organized under the laws of the State of Illinois), said John W. Gary to be the immediate successor to said John K. Lyon, which instrument, when recorded in the proper offices for recording deeds and mortgages in the Counties of Lane and Linn, State of Oregon, (and on payment to said Trustees of all charges and compensation to which they shall at that time be entitled hereunder) shall ipso facto, and without any further action, substitute such new Trustees in the place of the Trustees herein named, or in place of any successor Trustees, with all the rights, powers and privileges granted to the said Trustees under this instrument, and no conveyance from the old Trustees to the said Trustees thus appointed shall be necessary to convey the trust premises to such new Trustees, but the old Trustees shall and will, upon the request of such new Trustees, execute any conveyance necessary or proper in order to vest the said premises in such new Trustees.

In case of the death or resignation, or the incapacity or inability of the said John K. Lyon to act as Trustee hereunder, the said Corporation Trustee and said Lyon, Gary & Company may in like manner (to wit: by writing properly executed and recorded) appoint another person in his place and stead, in which case such successor so appointed shall succeed

to all the title, right, powers and privileges herein or hereby conferred upon or vested in the said John K. Lyon (his immediate successor, however, to be the said John W. Gary), this being an alternative method of filling such vacancy, in addition to that above provided in this and the preceding Article hereof.

ARTICLE XXIX.

It is expressly understood and agreed that no obligation whatever rests upon the Trustees to see to the recording of this instrument, nor to do any act suitable or proper to be done for the continuing of the lien created hereby, nor to give notice of the existence of such lien, nor to do any act which, by the terms of this instrument, is required to be done by some party hereto other than said Trustees. Said Trustees shall be under no duty or obligation not affirmatively expressed on the face of these presents. Nor are said Trustees required by this instrument to take any action nor do any act made requisite by statute for protecting, perpetuating or keeping good the lien of these presents upon the land, premises and property, or any part thereof, hereby conveyed or intended so to be; nor shall the said Trustees be held responsible for the consequence of any breach by the Company or by its agents or servants of any of the covenants herein or in said bonds contained, on the part of said party

of the first part to be kept and performed, nor for or on account of any act of the Company or of its agents or servants, of any kind, character or nature whatsoever. Said Trustees shall have no responsibility as to the validity of this mortgage or deed of trust, nor as to the execution or acknowledgment thereof, nor as to the amount or extent of the security afforded by the property covered hereby; nor shall said Trustees in any other manner, or under any circumstances, be answerable or accountable, except for bad faith; it being expressly understood and agreed that the recitals herein contained are made by and on behalf of the said party of the first part and that the Trustees are not responsible for the correctness thereof.

Said Trustees shall not be under any obligation to take any action toward the execution or enforcement of the trust hereby created, which, in their opinion, would be likely to involve them in expense or liability, nor to defend any suit, unless one or more of the holders of the bonds hereby secured shall, as often as required by the said Trustees, furnish them with reasonable and satisfactory indemnity against such expense or liability; nor shall the said Trustees be required to take notice of any default hereunder, unless notified in writing of such default by the holders of at least ten (10) per centum of the amount of the bonds hereby secured and then outstanding, nor to take any

action in respect of any default unless requested to take such action by writing, signed by the holders of as great a proportion of said bonds and be tendered indemnity as aforesaid, anything herein contained to the contrary notwithstanding; but neither any such notice or request nor this provision therefor, shall affect any discretion herein given to the said Trustees to determine whether or not they will take action in respect to such default, or to take action without such request.

The Trustees shall be protected in acting upon any request, consent, certificate, bond, affidavit, or other paper or document believed by them to be genuine and to be signed by the proper party or parties.

Said Trustees shall be entitled to be reimbursed for all proper outlays of every sort and nature by them incurred, or for which they may be obligated in the discharge of this trust, and to receive a reasonable and proper compensation for any duties that they may at any time perform in the discharge of the same, and shall have a lien therefor upon the mortgaged property, prior and paramount to the bonds hereby secured.

All expenses, fees, taxes and disbursements of any kind which have been paid or made, or which may be paid or made or incurred by the Trustees in order to comply with any law or laws of the State of Oregon respecting foreign corporations, or relating to the right, authority,

or qualification of the Trustees to accept this trust and perform their duties hereunder, and all liabilities and expenses which may be incurred by them, and all penalties, judgments or forfeitures which may be assessed, levied, or recovered against the Trustees for failure to comply with any such law or laws shall be a charge and shall constitute a lien upon the mortgaged property and premises prior and paramount to the bonds hereby secured. In case at any time it shall be necessary and proper for the said Trustees, or their successors, to make any investigation respecting any facts, preparatory to taking or not taking any action, or doing or not doing anything under this deed of trust, the certificate of the said party of the first part under its corporate seal and sworn to by its President, Treasurer or Secretary, shall be sufficient evidence of such fact to protect the said Trustees, or their successors, in any action that they may take or decline to take by reason of the supposed existence of such fact.

Unless it shall in writing expressly agree to do so, the Corporation Trustee shall not be obligated to pay interest on any sum of money which may be deposited with it under any of the provisions of this instrument, but if said Corporation Trustee shall in writing expressly agree to pay interest on any such deposits, the amount of such interest shall be credited to or paid into the fund for retiring bonds as pro-

vided for in Article VII and other Articles hereof.

ARTICLE XXX.

John K. Lyon, one of the parties of the second part, has been appointed as Trustee hereunder so that if by any present or future law in any jurisdiction in which it may be necessary to perform any act in the execution of the trusts hereby created, the Corporation Trustee, or its successor, or successors, may be incompetent or unqualified or unable or unwilling to act as such Trustee, then all of the acts required to be performed in such jurisdiction in the execution of the trusts hereby created, shall and will be performed by said John K. Lyon as Trustee, or his successor, or successors, acting alone. Except as it may be deemed necessary for said John K. Lyon, his successor, or successors, to solely execute the trusts hereby created, Union Trust Company, Trustee, or its successor, or successors, may solely have and exercise the powers and shall be solely charged with the performance of the duties hereinbefore declared on the part of the Trustees to be had and exercised, or to be performed. Any request in writing by the Corporation Trustee, or by any Trustee appointed in succession to it, to the said John K. Lyon, Trustee hereunder, or to any Trustee appointed in succession to him, shall be sufficient warrant for the individual Trustee, or his suc-

cessor, taking such action as may be so requested, and shall relieve him of all liability in the premises. Such individual Trustee, or his successor, may delegate to the Corporation Trustee herein named, or its successor, the exercise of any power discretionary or otherwise conferred by any provisions of this instrument. And it is further provided that neither of the Trustees herein named, nor any successor Trustee to either of them, shall be liable for any default or act of omission or commission of any co-trustee.

ARTICLE XXXI.

The word "Trustees" as used in this instrument shall be held and construed to mean the Trustees herein named, or their successor or successors, for the time being in the trust hereby created; the words "the Company" shall be held and construed to mean Fischer Lumber Co., its successors or assigns.

And wherever the name "Lyon, Gary & Company" is used herein it shall be held and construed to mean Lyon, Gary & Company, the present Illinois Corporation, or such person, firm or corporation as may succeed said corporation according to the terms of this instrument.

ARTICLE XXXII.

This instrument and the negotiations leading up thereto, and any that may follow in

carrying out the purposes of this bond issue and the negotiation and sale of the bonds issued hereunder, are hereby declared to be and shall in all things be deemed and treated as an Oregon contract entered into between the parties hereto and the purchasers or holders of all or any portion of the bonds issued hereunder and shall be governed by the laws of the said State of Oregon, to the same effect as if all the negotiations above described, occurring both before and after the execution of this instrument (instead of but a portion of them) had been had in that State.

And each Article of this instrument is hereby declared to be and shall be held to be a separate and independent clause thereof.

ARTICLE XXXIII.

Union Trust Company and John K. Lyon hereby accept the trusts herein and hereby declared and created, and agree to perform the same upon the terms and conditions hereinbefore set forth.

IN WITNESS WHEREOF, the said Fischer Lumber Co. and the said Union Trust Company have caused this instrument to be executed in duplicate in their corporate names by their respective Presidents or Vice-Presidents and their corporate seals to be hereunto affixed and attested by their respective Secretaries, and the said John K. Lyon has likewise exe-

cuted the same in duplicate, all in the presence of witnesses, on the date first herein written.

FISCHER LUMBER Co.

By FRED FISCHER, Sr.,

Attest:

Its President.

CARL E. FISCHER,

Its Secretary.

Witness to the execution of this instrument by	FISCHER LUMBER Co. Incorporated [SEAL] 1910 Marcola, Ore.
Fischer Lumber Co.:	
J. S. CHURCHILL.	
JAMES COLE.	

UNION TRUST COMPANY,

By FREDERICK L. WILK,

Attest:

Its Vice President.

RUFUS F. CHAPIN,

Its Secretary.

Witness to the execution of this instrument by	UNION TRUST COMPANY [SEAL] Incorporated 1857 Consolidated 1907 Chicago, Ill.
Union Trust Company:	
W. R. CURTIS.	
C. G. POWELL.	

JOHN K. LYON.

Witness to the execution of this instrument by
John K. Lyon:

W. K. FIFIELD.

F. C. STROBEHN.

STATE OF OREGON,
COUNTY OF LANE.

On this the 20th day of February, 1911, before me, J. S. Churchill, a Notary Public in and for said State and County, personally appeared Fred Fischer, Sr., and Carl E. Fischer, to me personally known, who, being duly sworn, did say that they are the President and the Secretary respectively of the Fischer Lumber Co., an Oregon corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that the said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors; and the said Fred Fischer, Sr., and Carl E. Fischer, acknowledged the said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said State and County, this the day and year first in this my certificate written.

My Notarial Commission is dated April 12, 1909, and expires April 12, 1911.

J. S. CHURCHILL,
Notary Public, Lane County,
State of Oregon, residing at
Marcola, Said State.

{ J. S. CHURCHILL, *Notary Public,* }
 { [SEAL] }
 { State of Oregon. }

STATE OF ILLINOIS,
COUNTY OF COOK.

On this 2d day of February, 1911, before me, H. L. Benson, a Notary Public in and for said State and County, appeared Frederick L. Wilk and Rufus F. Chapin, to me personally known, who, being duly sworn, did say that they are respectively the Vice President and the Secretary of Union Trust Company, an Illinois corporation; and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors; and the said Frederick L. Wilk and Rufus F. Chapin acknowledged the said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said State and County, this the day and year first in this my certificate written.

My Notarial Commission is dated October 12, 1910, and expires October 12, 1914.

H. L. BENSON,

*Notary Public, Cook County,
State of Illinois, residing at
Chicago, said State.*

{ H. L. BENSON, *Notary Public*, }
 [SEAL]
{ Cook Co., Ill. }

STATE OF ILLINOIS,
COOK COUNTY.

I, Robert M. Sweitzer, County Clerk of the County of Cook, DO HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such officer am duly authorized to issue certificates of magistracy; that H. L. BENSON, whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing, was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds or conveyances of lands, tenements or hereditaments, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago in the said County, this 2d day of February, 1911.

ROBERT M. SWEITZER,
County Clerk.

{ Seal of County of Cook, }
 Illinois. }

STATE OF ILLINOIS,
COUNTY OF COOK.

Before me, Fred C. Strobehn, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared the above named John K. Lyon, to me known to be the individual described in, and who executed the above instrument, and the said John K. Lyon acknowledged that he executed the same this 2d day of February, 1911.

My Notarial Commission is dated September 19, 1908, and expires September 19, 1912.

WITNESS my hand and official seal at office
in Chicago, Cook County, State of Illinois, on
the date above written.

FRED C. STROBEHN,
Notary Public, Cook County,
State of Illinois, residing at
Chicago, said State.

{ FRED C. STROBEHN, *Notary Public,* }
 { [SEAL] }
 { Cook County, Ill. }

STATE OF ILLINOIS,
COOK COUNTY,

I, Robert M. Sweitzer, County Clerk of the County of Cook, do HEREBY CERTIFY that I am the lawful custodian of the official records of Notaries Public of said County, and as such

officer am duly authorized to issue certificates of magistracy; that FRED C. STROBEHN, whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing, was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds or conveyances of lands, tenements or hereditaments, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the County of Cook at my office in the City of Chicago in the said County, this 2d day of February, 1911.

ROBERT M. SWEITZER,
County Clerk.

{ Seal of County of Cook, }
 {
 Illinois. }

STATE OF OREGON, }
LANE COUNTY. } ss.

I hereby certify that the within instrument was filed for record this 21st day of February, 1911, at 10:30 o'clock, A. M., and duly recorded in Book 31, page 64, Lane County Mortgage Records.

S. M. RUSSELL,
County Clerk.

Per J. A. FOUNTAIN,
Deputy.

Seal of Lane County,
State of Oregon.

STATE OF OREGON, }
COUNTY OF LINN. } ss.

I hereby certify that the within was received and duly recorded by me in Linn County Records, Book of Mortgages, Vol 53, page 95, on the 28th day of Feb., 1911, at 11:06 o'clock A. M.

GRANT FROMAN,
Recorder of Linn County, Oregon.

Seal of Recorder of Conveyances,
Linn County, Oregon.

CHAPTER XI

STYLE OF BONDS.

The serial bond is the only safe form under which to write a loan on an active lumbering property. The loan is made for the specific purpose of enabling the borrower to deplete the security. Every day the plants operate, the amount of standing timber is reduced. The mills, railroad and logging equipment are useless as security for a timber bond when the stumpage is exhausted. Logging equipment, railroad, sawmills and pulp mills are merely the bridge over which the tree travels to market. Such a bridge stripped of traffic is economic waste and has only a scrapping value as security for a loan on cut off timber land. The bridge must be a toll-bridge and collect for the loads that cross. The loan must be retired as rapidly as the timber is milled or manufactured into merchantable products. A sinking fund payable annually to be held until maturity of the bonds is not sound financing in timber or allied securities. These sinking funds call for the payment of a certain percentage of the face of the loan to be deposited annually with a trustee or the treasurer of the company. This percentage is an amount usually estimated to be sufficient to pay off the loan when all the timber is cut. The fate of sinking

funds is notorious. The vicissitudes of commercial life are well known. Trust companies fail occasionally. Stock ownership changes hands with passing time. Managers die or retire and thus vary the policy over a period of twenty or thirty years. The group of men who contracted the debt that runs over a generation or a life time rarely expect to be present at its payment.

In a timber loan, where the property grows less valuable each operating year, the debt should mature in time to leave a safe margin of timber behind it. Bond dealers and trustees should not risk being forced to operate a milling or pulp property in order to pay out the loan. Dividends should not be declared nor profits paid while the property has a bonded debt. The principles applied to a railroad bond, where the values usually enhance with age, cannot be used in connection with a timber or coal property where each working year means less security under the mortgage. All serial bonds are not safe. Today there are outstanding serial timber bonds that are very risky. The security has been over valued, the timber over estimated or the sinking fund providing for semi-annual serial payments improperly based. The era of high finance in timber bonds is hovering around and to ward it off the utmost care is necessary. In timber bonds as in other attractive investments there are the get-rich-quick concerns and the highly speculative

operators. The greatest dangers to serial timber bonds as floated at present are excessive sinking funds and the practice of passing on abstracts of titles instead of going to the original records at the county seats. There will be defaults in some timber bonds now outstanding. The object of this book is to show the bond dealer and investor how to avoid disaster and to furnish him the best available practical information. The preceding mortgages cover their field in a comprehensive manner; the next chapter is devoted to actual circulars describing issues now outstanding. A comparison of these documents will enable the student to choose the best features from each. The houses represented will be glad to send the originals to anyone on request.

CHAPTER XII.

BOND CIRCULARS.

The circulars given in this chapter condense into small space the salient points of the issues they describe. The circular explains the leading features of the Trust deed, the nature of the security, the maturities, the stumpage, the mills, the shipping facilities, the investment of stockholders, the financial condition of the borrower, the condition of the titles, the sinking fund and other features. The circular carries in brief form the best selling arguments of the issuing house. The circular covers the soundness, earning power and desirability of each issue. The circulars given here are put out by the most reliable timber bond houses and represent the best practice in the business.

The chief criticism that can be made against them is that they do not state whether the titles are passed on from abstracts or from the original records. In order not to change the form of a circular more than necessary each one is headed Exhibit No. 1 to 22 inclusive, and carries the firm name at its end.

EXHIBIT NO. 1.

Farwell Trust Company, Chicago. The subscription list will open on November 14th, 1910, and close on or before November 17th, 1910. Price Brothers & Company, Limited. (Incorporated under the Laws of the Province of Quebec, Canada.) Capital, \$5,000,000.

Offer of £1,000,000 five per cent. first mortgage bonds, forming part of an authorized issue (closed mortgage) of £1,232,876 14s. 3d., being the sterling equivalent at 4.86 2-3 of \$6,000,000. Dated 1st November, 1910. Due 1st November, 1940. Interest payable May 1st, November 1st.

The bonds will be issued to bearer in denominations of £200, £100, and £20; and are exchangeable for bonds in currency denominations of \$1,000, \$500 and \$100. Exchanges will be computed at the fixed rate of \$4.86 2-3 per £1, fractions adjusted in scrip. Bonds may be registered as to principal.

The Bonds are redeemable at the company's option (as to the whole issue) at 102½ and accrued interest, before maturity, on November 1st, 1915, or on any interest date thereafter on three months' notice. The bonds may also be drawn at the same price on any interest date by the operation of the sinking fund. Principal and interest are payable in London, England, in sterling, and also in Montreal, Quebec and New York at the fixed rate of exchange of \$4.86 2-3 to the £1.

Royal Securities Corporation, Limited (of Canada), offer for sale £1,000,000 of the above bonds, at the price of 86 per cent., payable as follows, per £100 bond:

£ 5 per cent.....	\$ 24.33.....	On application
£21 " "	102.20.....	On 1st December, 1910
£30 " "	146.00.....	On 1st February, 1911
£30 " "	146.00.....	On 1st May, 1911

£86@\$4.86 2-3.....\$418.53

Payment in full may be made on allotment under discount at the rate of 4 per cent. per annum.

Subscriptions for bonds to be delivered in London (stamped), will be at the price of 87 and accrued interest.

After payment of the installment due on allotment, Allotment Letters will be exchangeable for Provisional Script Certificates, bearing a coupon payable on May 1st, 1911, representing interest at 5 per cent. to that date from the due dates of the installments. Notice will be given when Script Certificates may be exchanged for Definitive Bonds bearing coupon due November 1st, 1911.

The accompanying letter from Mr. William Price, the President, gives particulars of the Company, of the security for the bonds, and the object of the issue. The more salient points of the letter may be summarized as follows:

1. First Mortgage covering all fixed assets owned by the company.

2. The assets forming the security for the new bonds will amount to about \$13,500,000, of which over \$8,000,000 represent freehold and leasehold timber and pulpwood lands constituting a security of constantly increasing value, owing to the rapid depletion of the available supplies of timber in the United States.

3. The average earnings for the last three years amount to more than $1\frac{1}{2}$ times the interest on the £1,000,000 of bonds, and the estimated earnings of the combined operations, after the completion of the paper mills, cover the amount required to meet the entire bond interest three times over.

4. The past earnings have been derived from careful operation of the company's limits to the extent of only one-third of their capacity and after the construction of the new mills the business of the company will require the operation of the limits to the extent of only two-thirds of their capacity.

5. The new paper mill is the development on a larger scale of the Jonquiere paper business which has been operated profitably for several years past.

6. A sinking fund of 2 per cent., cumulative, beginning 1915, will redeem practically the entire issue before maturity.

The bonds are being offered simultaneously in Canada by Royal Securities Corporation, Limited, Montreal and branches, in London by Parr's Bank, Limited.

PRICE BROTHERS & COMPANY, LIMITED.

Quebec, P. Q., November 1st, 1910.

Messrs. Royal Securities Corporation, Limited,
164 St. James Street,
Montreal, P. Q.

Dear Sirs:—Referring to the 5 per cent. first mortgage sinking fund gold bonds of this company, I beg to submit the following information:

The business of Price Brothers and Company has been in existence for a century. It was incorporated under the Joint Stock Companies Incorporation Act of the Province of Quebec, November 28th, 1904 (and has since been brought under the Quebec Companies Act), for the manufacture and sale of spruce and other lumber, ground wood pulp, sulphite-pulp and paper. The Capital Stock of the Company, authorized and fully paid, is \$5,000,000, of which more than half is owned by members of the Price family. The company in itself, together with its ownership of all the assets or all the issued capital stock of the Price-Porritt Pulp and Paper Company (the latter free from lia-

bilities) and of all the bonds and the total issued capital stock of the Jonquiere Pulp Company, owns and controls the following properties:

TIMBER LANDS.

The company owns and controls about 4,136,000 acres or arpents of timber and pulp-wood lands, consisting of about 128,000 acres or arpents of freehold and 4,008,000 acres of leasehold all well timbered and located north and south of the St. Lawrence and Saguenay Rivers in the Province of Quebec.

These lands contain over three thousand million feet (board measure) of merchantable timber and over twenty million cords of pulp-wood.

TIMBER LICENSES.

The company holds its licenses to cut timber from the Government of the Province of Quebec and these are renewable by the Company from year to year, subject to the Government regulations.

For these licenses the company pays an annual ground rental of \$5.00 per square mile, or about three-quarters of a cent per acre, and stumpage dues on all timber cut, according to the regulations of the Government of the Province of Quebec. (These rentals and stumpage dues do not apply to the freehold lands owned by the company.)

The timber limits are easily workable and the products have the home markets close at hand, besides being particularly well-situated to meet the demands of the British, United States and other foreign markets.

The danger of fire is reduced to a minimum owing to the scattered nature of the different properties, the heavy rainfall and the efficient system of fire protection now in vogue in the Province of Quebec.

The supply of timber may be deemed practically inexhaustible as the large area of the property permits of a careful system of conservation, so that there is a constant renewal of the growth of merchantable timber, and further the Government regulations limit the size of trees to be cut.

At present the company limits are being worked to the extent of only one-third of their capacity. The construction of the proposed Paper Mills will necessitate the working of about two-thirds of the limits.

EXISTING MILLS.

Nine saw mills at Batiscan, Montmagny, Cap St. Ignace, Trois Saumons, Rimouski, Matane, Salmon Lake, St. Mar-

guerite, and Grand Bay, with a combined capacity of about 1,000,000 feet (board measure) per day, give the company, during the ordinary operating season of six months, an annual capacity of about 100,000,000 feet.

Three shingle mills at Rimouski, Matane, and Salmon Lake, with a combined capacity of 600,000 shingles per day.

One rossing mill at L'Anse au Cheval.

One ground-wood pulp mill at Rimouski, with a capacity of 7,500 tons of pulp per annum, which is sold principally to paper makers in the United States.

Cardboard and paper mill at Jonquiere, including rossing mill, ground wood mill and sulphite pulp mill, with annual capacity of 8,000 tons of ground wood pulp, 2,600 tons of sulphite pulp, together producing 6,000 tons of cardboard and 4,000 tons of paper.

Dwelling houses for employes, together with warehouses, mill sites, sorting sheds, machine shops, water powers, electric light plants, railroad sidings, lumber yards, roads, wharves, piers, booms, dams and other river improvements, river tackle, tugs, lighters and other craft and logging camp equipment, and in fact, all appliances necessary to make the properties complete and up-to-date.

Insurance. In order to further insure the company against possible loss by forest fires, the timber limits have been divided into fifteen groups and fifteen policies have been effected at Lloyds providing against any loss in excess of £15,000 in each group of limits.

The company also insures its mills and stock in amounts which vary according to the stock in hand.

NEW PULP AND PAPER MILLS.

The company will at once proceed with the construction of new pulp and paper mills (with a daily capacity of 150 tons of newspaper), together with a concrete dam and hydraulic development of 14,000 h. p. under a head of 280 feet, which will be more than sufficient for the operations of the mills.

The buildings will be of cement and steel construction throughout.

The available water-power will permit of substantial extensions to the capacity of the mills, and the buildings will be constructed with this end in view.

The combined capacity of the new pulp and paper mills when constructed added to that of the Jonquiere Pulp Company will be one of the largest in the Dominion of Canada.

The mill site is in the heart of the company's timber limits on the Au Sable River, on which river, a short dis-

tance from the new mills, the Jonquiere Company has for the past ten years been manufacturing pulp and, later, cardboard and paper. Conditions of manufacture, quality of wood and extent of water-power, confirmed by four years' actual records, are therefore clearly established. Construction and operation will be carried on under the supervision of Mr. O. A. Porritt, the company's manager at Jonquiere, and the undertaking may be regarded as perpetuating, on a much larger scale, the Jonquiere plant which to the extent of its capacity has been entirely satisfactory.

Mr. Geo. F. Hardy, of New York, consulting engineer and paper mill expert, reports as follows:

"In brief, I would say, in regard to the location of the mill at Au Sable Falls, that it offers, in my opinion, an exceptionally good opportunity for the manufacture of newspaper, and that I know of no better opportunity today in the Dominion."

DESCRIPTION OF BONDS.

The bonds for £1,000,000 sterling form part of an issue limited to \$6,000,000 gold or its equivalent in sterling and are secured by a fixed and specific first mortgage and charge upon all the present immovable property of the company and by all the issued shares of the Price-Porritt Pulp and Paper Company or by all the immovable property presently owned by that company, and by all the issued shares and all the outstanding bonds of the Jonquiere Pulp Company; and will be similarly secured upon all future immovable property acquired by the company from the proceeds of the bonds and by a floating charge upon all the other assets of the company which include current assets, trade marks, etc.

SINKING FUND.

A cumulative sinking fund of 2 per cent. per annum will commence on May 1st, 1915; and annually thereafter a cash sinking fund of 2 per cent. of all bonds outstanding, plus an amount equal to the annual interest on all bonds redeemed through the sinking fund is to be paid to the trustee, and used to purchase and retire bonds at not exceeding 102½ per cent. and accrued interest, or to call bonds at that price if not so purchasable.

The sinking fund will redeem practically the entire issue of bonds before maturity.

TITLES AND MORTGAGES.

The titles to all the properties covered by this mort-

gage have been examined and approved by Messrs. Pentland, Stuart & Brodie, of Quebec, who certify that all the said properties are free and clear of all liens, charges, encumbrances, or indebtedness.

The titles, form of the deeds of conveyance, mortgage trust deed and bonds have been approved by A. J. Brown, K. C., of Messrs. Brown, Montgomery and McMichael of Montreal, P. Q.

ASSETS.

Messrs. James D. Lacey and Company, of Chicago, the well known timber valuers, under date of 19th July, 1910, place the following valuation on the properties:

About 3,793,000 acres of leasehold, and 128,000 acres or arpents of freehold timber and pulpwood lands found to contain about 3,149,500,000 feet (board measure) of timber, and over 20,665,000 cords of pulpwood..... \$8,085,875

Nine saw mills at Batiscan, Montmagny, Cap St. Ignace, Trois Saumons, Rimouski, Matane, Salmon Lake, St. Marguerite, and Grand Bay....

Three shingle mills at Rimouski, Matane, and Salmon Lake

The Price-Porritt Pulp Mills at Rimouski.....

Sundry real estate, wharves, water powers, and other properties at Chicoutimi, L'Anse, St. Jean, Metis, St. Catherines Bay, Petit Saguenay, etc..... 842,500

Jonquiere Pulp Company: About 215,000 acres leasehold timber limits; saw mill, chemical pulp mill, ground wood pulp mill and card-board and paper mill; three water powers, two of which are developed to produce 3,700 h. p. (the third of 14,000 h. p. mentioned above, will be developed in connection with the new pulp and paper mills); electric power plant supplying light and power to the town of Jonquiere and the Jonquiere Mills; houses, buildings, piers, booms, and all other accessories necessary to a pulp, paper and lumber business. 1,000,000

\$9,928,375

To the above will be added the net liquid assets of the company in excess of current liabilities, (less the amount required to redeem the outstanding bonds.) which will be used for the purchase of all the bonds of the Jonquiere Pulp Company, amounting to \$190,000. for the

construction of new pulp and paper mills, of a new saw mill and for working capital, say not less than	3,600,000
	<hr/> \$13,528,375

Messrs. James D. Lacey and Company report further:

"The limits and freeholds controlled by this company are essentially spruce, balsam, cedar and pulp wood propositions, and they are unquestionably among the best timbered and most desirably located properties in the Province of Quebec. Further, this company is in a most enviable position in regard to the control of the numerous driveable streams penetrating their vast holdings. Valuable concessions, water powers and other important rights have been secured, and a more practical system of boomage, dams and other river improvements for the safety and quick delivery of their logs during the short driving seasons would be difficult to devise."

SALES.

The company is the largest manufacturer of spruce lumber in Canada. Almost the entire output has been sold in the European, United States and South American markets.

The average sales during the last five years have been about 72,000,000 feet of timber, 66,000,000 shingles, and 240,000 ties per annum.

EARNINGS.

The average yearly net earnings of Price Brothers and Company for the five years from March 31st, 1899, to March 31st, 1904, and for the five years from November 30th, 1904, to November 30th, 1909, as audited and certified by Geo. Creak, C. A., including those of the Jonquiere Pulp Company and Price-Porritt Pulp and Paper Company for the three years from November 30th, 1906 to November 30th, 1909, as audited and certified by Messrs. Creak, Cushing and Hodgson, C. A., amount to \$336,680.79.

The earnings of the three companies as audited and certified by the above accountants for the last three years ending November 30th, 1909, after charging all manufacturing, selling and general expenses, including maintenance and depreciation of the various plants (no other provision being necessary in view of the low book values of the properties), but before charging interest on bonds and loans, have been as follows:

	1907	1908	1909
Price Brothers and Company, Limited...	\$391,141.73	\$224,082.93	\$276,283.68
The Jonquiere Pulp Company	65,823.76	45,993.10	88,167.20
Price-Porrirt Pulp and Paper Company	17,894.66	13,452.83	34,316.09
	<hr/>	<hr/>	<hr/>
	\$474,860.15	\$283,528.86	\$398,766.97

The average yearly earnings of the above companies for the past three years thus amount to \$385,718.66, although 1908 was a bad year resulting from general industrial depression.

The timber limits have been worked to only one-third of their capacity, while taxes and dues on the whole of the property (including the two-thirds unworked) have been paid to the Government, and charged against the earnings.

ESTIMATED PROFITS.

It is estimated that the earnings of the above companies for the fiscal year of 1910 will amount to \$400,000 and that the new mills, including a new saw mill, when completed, will produce an additional profit amounting to about \$500,000. These estimated earnings of \$900,000 are three times the interest charges on the total issue of \$6,000,000 bonds.

Yours faithfully,

PRICE BROTHERS & COMPANY, LTD.,

(Signed) William Price, President.

Applications must be made on the accompanying form and forwarded, with a cheque for the amount due on application, to Royal Securities Corporation, Limited, 75 Lombard Street, London, E. C. If only a portion of the amount applied for be allotted, the balance of the deposit will be applied towards the payment due 1st December, 1910. Interest at the rate of 5 per cent. per annum will be charged on all installments not paid on the due dates. Failure to pay any installment when due will render the amount previously paid liable to forfeiture.

Application will be made in due course to the Committee of the London Stock Exchange for an official quotation of the bonds.

Holders of existing 6 per cent. bonds of Price Brothers & Company, Limited, may deliver their bonds at 105 per cent. and interest on account of payment for allotments.

DIRECTORS AND OFFICERS.

William Price, M. P., Quebec., President of the Company,
Vice-President, Union Bank of Canada.

Geo. H. Thomson, Quebec., Vice-President of the Com-
pany, Director, Union Bank of Canada.

Edward G. Price, London, Director, Price & Pierce,
Limited.

Wm. S. Hofstra, New York, Director, Diamond Match
Company.

Ion Hamilton Benn, M. P., London, Director, Price &
Pierce, Limited, Director, Canadian Car and Foundry
Company, Limited.

Gustavus G. Stuart, K. C., Quebec, Director, Quebec
Bank.

H. S. Holt, Montreal, President, Royal Bank of Canada,
Montreal Light, Heat and Power Company.

Granger Farwell, Chicago, President, Farwell Trust
Company.

James Redmond, Montreal, Director, Royal Bank of
Canada.

Henry E. Price, Quebec, Secretary-Treasurer of the
Company.

HEAD OFFICE—Quebec, Canada.

BANKERS—Bank of Montreal. Union Bank of Canada.

TRUSTEES—Montreal Trust Company.

TRUSTEE FOR SINKING FUND—Trustees, Executors &
Securities Insurance Corporation, Limited.

AUDITORS—Messrs. Creak, Cushing & Hodgson, C. A., Mon-
treal. Messrs. Geo. A. Touche & Company, London,
England.

ROYAL SECURITIES CORPORATION, LIMITED.

164 St. James Street, Montreal.

Toronto Halifax. Quebec. London, England.

Subscriptions will be received, in behalf of Royal Securities
Corporation, Ltd., by

FARWELL TRUST COMPANY,

226 LaSalle Street,
Chicago.

EXHIBIT NO. 2.

McCOY & COMPANY, 105 S. LaSalle St., Chicago.

GUARANTEED FIRST MORTGAGE TIMBER LAND
BONDS.

An issue of Short Time First Mortgage Bonds which are
the direct obligation of one of the largest timber-

holding and operating lumber companies in the United States. Principal and interest unconditionally guaranteed by William T. Joyce Company, whose net assets, exclusive of any interests in the Tremont Lumber Company, are represented to be over twice the amount of this present bond issue. The mortgage security consists of about 170,000 acres of virgin pine timber lands, of which 70 per cent are owned in fee simple, estimated to contain 1,238,061,343 feet of virgin pine and other timber, with three mill plants, etc., conservatively worth \$7,500,000, or three times the amount of the present bond issue.

We offer, subject to prior sale, at par and interest: \$1,500,000 First Mortgage 6 per cent. Serial Gold Bonds of Tremont Lumber Company, Winnfield, La.. Capital and surplus, \$6,871,531.93.

Officers and Directors: Samuel J. Carpenter, President, Winnfield, La.; David G. Joyce, Vice-President, Chicago, Ill.; James Stanley Joyce, Sec'y and Treas., Chicago, Ill.; Thomas Hume, Muskegon, Mich.; Eugene J. Carpenter, Minneapolis, Minn.

Principal and interest unconditionally guaranteed by William T. Joyce Company.

Dated November 1, 1910. Coupon bonds, \$1,000, with privilege of registration as to principal. Interest payable semi-annually (May 1st and November 1st). Callable May 1, 1911, or on any interest date thereafter, at 102 and interest, upon 60 days' previous notice to the trustee. Bonds offered mature as follows:

\$150,000 May 1, 1911	\$150,000 Nov. 1, 1913
150,000 Nov. 1, 1911	150,000 May 1, 1914
150,000 May 1, 1912	150,000 Nov. 1, 1914
150,000 Nov. 1, 1912	150,000 May 1, 1915
150,000 May 1, 1913	150,000 Nov. 1, 1915

Principal and interest payable at Interstate Trust & Banking Company, New Orleans, La., Trustee, or Continental and Commercial National Bank, Chicago, Ill.

The Southern pine forests today furnish the raw material for over 30 per cent. of the entire lumber cut of the United States. The drain upon them has been such that the United States Forestry Service estimates their consumption within the next twenty years. The value of Southern pine timber lands is constantly increasing with the depletion of the existing supply. Louisiana pine timber is not subject to fire hazard owing to freedom from undergrowth and height of trees.

The timber under this mortgage was cruised in detail by Messrs. James D. Lacey & Company, Chicago, Ill., who,

in their report, advise us that in respect to quality of timber, accessibility and economies of logging, it is one of the best timber properties they have ever examined in the South.

This Mortgage to the Interstate Trust & Banking Company, New Orleans, La., Trustee, is a first lien on about 170,000 acres of virgin timber lands (70 per cent. owned in fee), exceptionally well grouped, heavily timbered with long-leaf yellow pine and hardwoods, located in Jackson, Ouachita, Caldwell, Winn, Grant and La Salle Parishes, Louisiana (see map attached for location) and three modern mill properties.

TIMBER ESTIMATES.

The timber properties under this mortgage have been cruised and estimated by Messrs. James D. Lacey & Company, Public Estimators, Chicago, who estimate that on the approximately 170,000 acres of land above mentioned and examined by them, there is contained the following kinds and amount of timber, namely:

Pine	1,167,522,343 ft.
Hardwoods	70,539,000 ft.

Total timber1,238,061,343 ft.

They also state that from their examination of the properties, they do not hesitate to say that in respect to quality of timber, accessibility and economies of logging, it is among the best timber properties they have ever examined in the South.

MANUFACTURING PLANTS.

The three mills of the company are located and equipped as follows:

Eros—A double-band saw mill, steam dry kilns and planing mill, with a daily 10-hour capacity of 100,000 ft.

Jonesboro—A double-band saw mill, steam dry kilns, planing mills, sheds, etc., with a daily 10-hour capacity of 100,000 ft.

Rochelle—Two double-cutting band mills and gang, steam dry kilns, planing mills and shed room, with a daily 10-hour capacity of about 175,000 ft.

These plants are situated on the line of the Tremont & Gulf Railway, which connects with the following trunk lines:

The Vicksburg, Shreveport & Pacific Ry., at Tremont, La.

The Chicago, Rock Island & Pacific Ry., at Jonesboro, Dodson and Winnfield, La.

The Louisiana & Arkansas and the Louisiana Railway & Navigation Company, at Winnfield, La.

The St. Louis, Iron Mountain & Southern Ry., at Rochelle, La.

Thus giving unusual facilities for reaching all lumber-consuming territory under favorable freight rates.

VALUE OF PROPERTIES.

The market value of the timber under the mortgage is conservatively estimated at upwards of \$6,000,000 and the mill properties and appurtenances at \$1,500,000, making a reasonable valuation of the combined properties under this mortgage of \$7,500,000. These estimates do not take into account the worth of the land owned in fee, which adds considerably to the value of the security under the mortgage.

PURPOSE OF BOND ISSUE.

The total authorized bond issue is \$4,000,000, of which \$2,500,000 are presently to be issued. The remainder, \$1,500,000, can only be issued for the purchase of additional timber lands or timber situated in the Parishes of Jackson, Winn, Caldwell, La Salle, Grant, Ouachita, Lincoln, Bienville and Catahoula, in the State of Louisiana, adjacent to or near the above described lands, at a rate of not exceeding \$2.00 per thousand feet, board measure, as shown by the timber estimates of Messrs. James D. Lacey & Company, or such other estimators as shall be satisfactory to the Trustee. At least seventy per cent. (70%) of such additional timber held under this mortgage must be on lands owned in fee simple.

Of the \$2,500,000 bonds presently to be issued, \$1,500,000 are the bonds offered herein, the remaining \$1,000,000 are held in escrow by the company pending its future requirements. From the proceeds of the sale of the present issue of bonds all the floating indebtedness of the company will be retired and additional working capital provided.

TITLES AND MORTGAGE.

The titles to the lands and property covered by this mortgage have been carefully examined and certified by our counsel, Messrs. Adams & Candee, Chicago, under whose legal direction the mortgage and bonds were prepared. The form of bond and mortgage, and execution thereof, have also been approved by Messrs. Howe, Fenner, Spencer & Cocke, New Orleans, attorneys for the Trustee.

SINKING FUND.

The mortgage provides under careful restrictions that before the company can in any way have access to any of the timber covered by this bond issue, it must deposit in advance with the Trustee \$3.00 per thousand feet, based on the estimates of Messrs. James D. Lacey & Company, filed with the Trustee. This Sinking Fund applies to the payment of the principal only, and should the deposits under this Sinking Fund exceed the amount of bonds maturing in any year, the Trustee is required to purchase bonds of this issue which may be offered at not exceeding 102 and interest, or at the request of the company it may call bonds at 102 and interest in amount sufficient to exhaust the surplus monies in hand.

GUARANTORS.

These bonds, principal and interest, are unconditionally guaranteed by William T. Joyce Company, whose net assets, exclusive of their interest directly or indirectly in this property, are represented to be over twice the amount of the present bond issue.

BUSINESS OF THE COMPANY.

The Tremont Lumber Company is a consolidation of the South Arkansas Lumber Company, Winn Parish Lumber Company and the Louisiana Lumber Company, Ltd., and until recently was purely a manufacturing company. It now directly owns approximately 1,400,000,000 feet of virgin pine timber in the State of Louisiana, which, according to Messrs. Lacey & Company's report, may be considered one of the finest bodies of pine in the South and is especially attractive on account of the cheap logging cost. The company sells its output through its sales department directly to retail lumber dealers and railroads, and not through jobbers. The capacity of the three plants now in operation will approximate 150,000,000 feet per year. At the Rochelle plant the entire product of the mill is kiln dried; all of the stock is carried under cover, there being no lumber yards nor lumber piled outside. The lumber is transported from the mill to the sheds, planing mill and the loading tracks by a newly erected monorail system. This apparatus was installed at a very large cost, but the economy effected in handling the lumber justifies the expenditure. The railroad and logging equipment at all the mills is modern and efficient; the number of camps operating is three, one for each mill.

FIRE HAZARD.

Timber located in the southern states has never been destroyed by fire. This statement can be verified by lumbermen and other persons familiar with southern timber. Any serious damage by fire is practically impossible because of the absence of undergrowth and the height of the trees. This is one of the most important facts in connection with this security.

We have checked the security offered for this loan in our usual careful manner and recommend these bonds for investment. Telegraphic orders may be sent at our expense and bonds will be delivered to any responsible bank, expressage prepaid, payable in Chicago or New York exchange.

All statements herein are official or based on information which we regard as reliable, and while we do not guarantee them, they are the data upon which we have acted in the purchase of these securities.

Bonds are offered subject to prior sale and advance in price.

McCOY & COMPANY,
105 So. LaSalle St.,
Chicago.

EXHIBIT NO. 3.

Lyon, Gary & Company, Lumbermen and Bankers, Chicago.

\$1,500,000 Linn & Lane Timber Company (operating in Oregon) 6 per cent. First Mortgage Serial Gold Bonds. Dated June 6, 1910. Due semi-annually Dec. 1, 1911, to June 1, 1927. Redeemable at 102½ and interest, in whole or in part, on any interest day, on ninety days' published notice. Principal and interest payable in Chicago June 1st and Dec. 1st. Coupon bonds of \$1,000 and \$500 each; may be registered as to principal. Union Trust Company of Chicago, and F. H. Rawson, Chicago, Trustees.

Principal and interest guaranteed by endorsement by Charles A. Smith, Minneapolis, Minn.

For fuller particulars regarding these bonds and the property under the mortgage, we refer to the letter addressed to us by the guarantor, Mr. Chas. A. Smith, printed on the following pages.

Copies of the opinions of the timber experts and of our attorneys covering the validity of the bonds and the lien of the mortgage on the lands and timber, may be seen on application at our office.

The security for the bonds may be summarized from these letters and opinions as follows:

1. First mortgage lien on approximately 70,000 acres of virgin timber lands and timber in Linn, Lane, Coos, Curry, Douglas and Lincoln counties, all being located in the western part of the State of Oregon, estimated to contain over 4,300,000,000 feet of fir, cedar and other timber, including some pine and hemlock.

2. Our experts state that the timber may be conservatively valued at \$1.00 per thousand feet, or \$4,300,000 in all, while their estimates show that the bonds, amounting to \$1,500,000, are issued at the low rate of 34½ cents per thousand feet.

3. Secured also by first mortgage lien on a modern lumber manufacturing plant valued at \$200,000, and having a capacity of 150,000 feet for each ten-hour day.

4. The management is in the hands of successful and experienced lumbermen, the guarantor being reputed to be worth many times the amount of the bond issue.

5. The margin of security increases as the serial installments are paid at the ratio of seven to one, and the redemption fund will retire all the bonds before 15 per cent of the timber is cut.

6. Under the trust deed the trustee must first receive payment before any timber may be cut or released from the lien of the mortgage, payments for timber to be cut, being at the rate of \$2.50 per thousand feet. Contracts have already been executed providing for the sale of at least 30,000,000 feet of timber per annum at \$3.00 per thousand feet for fir and \$6.00 per thousand feet for cedar with a rising scale of prices.

7. Frequent inspection of the property is arranged for at the expense of the borrower. The valuations, titles and legal matters have been passed on by well known authorities.

8. The fire hazard is minimized: By the separation of the property into two tracts of nearly equal value; by the location of the timber in the fog laden counties on the Pacific Coast and west of the Cascade Mountains; by efficient fire patrols, Government and private, and by the provisions of the mortgage for the payment to the Trustee at the rate of \$1.00 per thousand feet for timber damaged for any cause, with \$1.50 per thousand feet additional for any such timber cut.

9. The increasing scarcity of timber has resulted in a constant enhancement in value.

Price on application.

LINN & LANE TIMBER COMPANY

(Operating in Oregon)

First Mortgage Serial 6 % Gold Bonds

Dated June 6, 1910. Due serially, maturities as below.

Interest payable in Chicago June 1st and
December 1st.Principal and interest guaranteed by Endorsement by
CHARLES A. SMITH, MINNEAPOLIS, MINN.

MATURITIES.

\$25,000 Dec. 1, 1911	\$50,000 June 1, 1917	\$50,000 Dec. 1, 1922
25,000 June 1, 1912	50,000 Dec. 1, 1917	50,000 June 1, 1923
25,000 Dec. 1, 1912	50,000 June 1, 1918	50,000 Dec. 1, 1923
25,000 June 1, 1913	50,000 Dec. 1, 1918	50,000 June 1, 1924
25,000 Dec. 1, 1913	50,000 June 1, 1919	50,000 Dec. 1, 1924
25,000 June 1, 1914	50,000 Dec. 1, 1919	50,000 June 1, 1925
50,000 Dec. 1, 1914	50,000 June 1, 1920	50,000 Dec. 1, 1925
50,000 June 1, 1915	50,000 Dec. 1, 1920	50,000 June 1, 1926
50,000 Dec. 1, 1915	50,000 June 1, 1921	75,000 Dec. 1, 1926
50,000 June 1, 1916	50,000 Dec. 1, 1921	75,000 June 1, 1927
50,000 Dec. 1, 1916	50,000 June 1, 1922	

The following letter has been addressed to us by Mr.
Chas. A. Smith:

Dear Sirs:—

In compliance with your request for information relative to the \$1,500,000 6 per cent. First Mortgage Gold Bonds of the Linn & Lane Timber Company, recently sold you, I submit the following:

SECURITY.

The Linn & Lane Timber Company was organized as a timber investment company, and now owns free of any incumbrance, other than the first mortgage bond issue, at least 70,000 acres of timber land together with 3,500 acres upon which the timber only is owned. Of this acreage owned in fee, approximately 35,000 acres are located in Coos, Douglas, Curry and Lincoln Counties, and approximately 35,000 acres in Linn and Lane Counties. The above tracts of land are well located for economical operation and have stood a severe examination as to quality and quantity. All of this property, including the timber mentioned above, is covered by the first mortgage lien of the bonds sold to you. The lands contain, according to my own estimate and belief, in excess of 5,000,000,000 feet of timber, the largest part of which is fir. I value the whole property at not less than \$5,000,000.

The timber in Linn and Lane Counties is practically in one compact tract and lies only about 20 miles east of

the Southern Pacific Railroad. It was bought for a permanent investment and I believe is one of the best tracts of its size of fir timber, considering quantity per acre and quality, on the Pacific Coast. I have been offered more than \$2,250,000 for this tract, but declined to sell.

The timber in Coos, Curry, Douglas and Lincoln Counties is located among and intermingled with other large holdings of mine, title to which lies in the C. A. Smith Timber Co. of Oregon. All the lands in these latter counties I plan to operate and will, within a short time, be cutting with the two mills owned by the C. A. Smith Lumber & Manufacturing Co. located at Marshfield, Oregon, on Coos Bay, one of the good harbors of the Pacific Coast, at the rate of 150,000,000 feet per annum. The mill now operating is cutting between 7,000,000 and 8,000,000 feet per month, or at the rate of about 85,000,000 feet per year and we plan to raise this to 100,000,000 feet per year. We will very shortly start up the other mill, known as the Dean Mill, and I expect to have an output here of approximately 4,000,000 feet per month, or say 45,000,000 feet per year, to be later increased to 50,000,000 feet per year, all of these estimates being based on ten hour days. If desirable this output can of course be doubled by means of two shifts.

The bond issue covers by first mortgage this Dean Mill. The plant is worth in excess of \$200,000.

I expect to be able to cut this amount of timber per year, deliver the logs to the mills, manufacture it and put the finished lumber on our docks (at San Francisco) at a cost of \$7 per thousand feet. Fir is now selling in San Francisco at an average price of \$14 per thousand feet. A fair average price over a period of years would be, in my opinion, from \$15 to \$18 per thousand feet. Washington and Oregon Fir may be compared in its uses and price to the yellow pine of the South. As the most generally used wood on the Coast it finds employment for heavy structural work, large timbers, car sills, sidings and decking, for flooring and in fact for almost all general uses.

We own at Suisan Bay, near San Francisco, a large distributing yard. We also own two steamers having a carrying capacity of 2,250,000 feet of timber.

The Linn & Lane Timber Co. has entered into a contract, (subject to the Trust Deed) with the C. A. Smith Lumber and Manufacturing Co., which latter concern has a paid in capital of \$2,500,000, whereby the Manufacturing Company agrees to cut off the timber in Coos, Curry, Douglas and Lincoln Counties, or pay for without cutting, at least 30,000,000 feet per year.

The price to be paid the Linn & Lane Timber Company being \$6 per thousand feet for cedar and \$3 per thousand feet for fir so cut during the year 1910, with an advance of 50 cents per thousand feet for cedar and an advance of 25 cents per thousand feet for fir each year thereafter until 1918. The agreement runs until 1935, eight years after the expiration of the last maturing bond under this mortgage, but on December 31, 1918, and again on December 31, 1928, it is stipulated that the prices to be paid for timber by the said Manufacturing Company shall be readjusted, but in no event shall they thereafter be less than \$8.50 for each thousand feet of cedar and \$4.25 for each thousand feet of fir.

It will be seen from the above that by this agreement the Linn & Lane Timber Company should have a substantial annual income from this source.

REDEMPTION FUND: For all timber proposed to be cut and manufactured into lumber, the mortgage requires the Linn & Lane Timber Company to deposit with the Trustee (prior to the cutting of the timber) at the rate of \$2.50 per thousand feet log scale based upon the estimates of the timber filed with the Trustee, which payment is at the rate of over seven times the amount of the loan, and will insure the whole loan being paid when 600,000,000 feet are cut.

The Company is required to account to the Trustee for all timber, and the provisions of the mortgage covering this point are carefully and strictly drawn. Provision is made in the mortgage for inspection by the Trustee or its agents of the mortgaged property at intervals of six months, the cost of this inspection to be borne by the Timber Company.

All monies received by the Trustee from the above sources constitute a fund to retire principal only of this issue. Should the deposits exceed the amount required to pay the bonds maturing in any one year, the Trustee is required to purchase or call for redemption at a premium of $2\frac{1}{2}$ per cent and accrued interest the bonds next maturing to an amount sufficient to practically exhaust such deposits.

HAZARDS: The Timber Company, under the terms of the mortgage, is required in case of any damage by fire, wind or elements to any of the timber securing the bonds to promptly pay to the Trustee \$1 per thousand feet for such timber so damaged, which payment, however, shall not release such timber from the lien of the mortgage, but for such release an additional payment of \$1.50 per thousand feet at the time of cutting is required.

The timber in Coos, Curry, Douglas and Lincoln Counties is scattered among my other holdings over a considerable area, and the timber in Linn and Lane Counties is separated from that in the other counties by a distance of from 100 to 125 miles. The timber is so separated that, in my opinion, it is hardly conceivable that an amount of the timber sufficient to imperil the bond issue could be destroyed by any accident.

The timber is located between the western slope of the Sierras and the Pacific Coast, and this country is subject to heavy rains and fog which, to a large extent, eliminate the fire hazard. Danger from fire has been further greatly lessened by the greater care now being exercised by all the larger lumbermen to protect their interests. In addition to the Government fire patrol my companies and other large holders of timber have organized our own patrol systems which work in unison. Provision is made in the Trust Deed for the maintenance of a fire patrol system under penalty.

In view of the fact that I personally guarantee both principal and interest of the Linn & Lane 6 per cent Bonds it may interest you to know that in addition to our output on the Coast my Minnesota companies now have an output of 75,000,000 feet per year and by the time the Minnesota lands are cut we expect to have in operation on my sugar pine properties in California a mill with a capacity of from 40,000,000 to 50,000,000 feet per year. In other words, our companies are now producing over 200,000,000 feet of lumber per annum and we are planning to maintain at least this standard of production.

Aside from small interests owned by men connected with the management, I own all of the capital stock of the Linn & Lane Timber Company and the C. A. Smith Lumber & Manufacturing Co., and the C. A. Smith Timber Co. of Oregon. I am also principal owner of the C. A. Smith Lumber Co. and the C. A. Smith Timber Co. of Minneapolis, two very successful and profitable concerns. I own, in addition, upwards of 100,000 acres of timber land in California and Oregon, unencumbered and have interests in other manufacturing and mercantile companies, banks, etc.

Yours very truly,

July 2, 1910.

C. A. SMITH.

GUARANTEE: Mr. Charles A. Smith, the guarantor of both the principal and interest of these bonds, and his allied companies are among the largest timber owners and lumber manufacturers in the United States. He is president of, and with other members of his immediate family principal owner, aside from some small interests owned by

the men connected with the management, of the following companies:

Linn & Lane Timber Company.

C. A. Smith Lumber and Manufacturing Company.

C. A. Smith Timber Company of Oregon.

Smith-Powers Logging Company.

C. A. Smith Lumber Company of Minneapolis, Minn.

C. A. Smith Timber Company of Minneapolis, Minn., etc.

From reliable statements submitted Mr. Smith's net worth is shown to be many times the amount of this bond issue.

TIMBER ESTIMATES: Careful estimates of the timber on this property were made for us by J. P. Brayton, a well known and competent cruiser. Messrs. Lyon, Gary & Co., have in turn, through their own expert cruisers, checked this report to their complete satisfaction. Mr. Brayton's detailed estimate, and Lyon, Gary & Company's check of same may be seen at our office, or a resume will be sent on request.

	Acres	Feet	Average Per Acre Log Scale
Coos, Curry, Douglas and Lincoln Counties	35,000	1,970,000,000	56,000
Linn and Lane Counties	35,000	2,402,000,000	68,000

The above estimates consist in detail of the following:

	Feet
Fir	3,803,000,000
Cedar	57,700,000
Port Orford Cedar	104,270,000
Hemlock	315,565,000
Larch and White Pine	19,265,000
Spruce	63,895,000
Other Timber	7,755,000

4,351,450,000

having a value, based on a conservative price of \$1.00 per thousand feet, in excess of \$4,300,000. These estimates are based upon log scale, uncut merchantable timber. The timber is of good quality, and the situation is favorable from a logging and lumbering standpoint. The mill at Coos Bay, also under the mortgage, is valued at over \$200,000.

TITLES AND MORTGAGE: The titles to the lands covered by this mortgage have been carefully examined on the ground from the records themselves by our counsel. All legal details relating to the examination of titles, preparation of the trust deed, etc., have been in charge of

Mr. W. W. Gurley, of Chicago, and Mr. E. E. Barthell, of Nashville, Tenn., the latter a specialist on timber land titles.

Prices of bonds for long or short maturities on application.

LYON GARY & COMPANY,
Lumbermen and Bankers.

204 Dearborn Street. Telephone Central 1147. Chicago, Ill.

EXHIBIT NO. 4.

Peabody, Houghteling & Co., 105 S. La Salle Street, Chicago. Cable address: "Hought," Chicago. Codes used, Lieber and A. B. C. 5th edition. Circular No. 725, February, 1911. (Established 1865.)

\$1,200,000 First Mortgage 6 Per Cent Serial Gold Bonds issued by the Panhandle Lumber Company, Limited, of Spirit Lake, Idaho.

Dated February 1st, 1911. Payable in series as below. Redeemable in the reverse of their numerical order on interest dates at 105 and interest. Coupon bonds of \$1,000 and \$500 each, with privilege of registration as to Principal. Principal and Semi-Annual Interest payable at the First National Bank of Chicago and the First National Bank of New York. First Trust and Savings Bank, Chicago, Trustee.

MATURITIES.

Amount	Term	Date Maturing
\$60,000	½ year	August 1, 1911
60,000	1 year	February 1, 1912
60,000	1½ years	August 1, 1912
60,000	2 years	February 1, 1913
60,000	2½ years	August 1, 1913
60,000	3 years	February 1, 1914
60,000	3½ years	August 1, 1914
60,000	4 years	February 1, 1915
60,000	4½ years	August 1, 1915
60,000	5 years	February 1, 1916
60,000	5½ years	August 1, 1916
60,000	6 years	February 1, 1917
60,000	6½ years	August 1, 1917
60,000	7 years	February 1, 1918
60,000	7½ years	August 1, 1918
60,000	8 years	February 1, 1919
60,000	8½ years	August 1, 1919
60,000	9 years	February 1, 1920
60,000	9½ years	August 1, 1920
60,000	10 years	February 1, 1921

These bonds, which are issued for the refunding of the Company's floating indebtedness, are secured by a closed First Mortgage upon all the property now owned and that may hereafter be acquired by the Panhandle Lumber Company, Limited, including lands and standing timber in the Counties of Kootenai and Bonner in the State of Idaho, and in the Counties of Spokane and Stevens in the State of Washington, aggregating 89,294 acres of land and 943,978,490 feet of standing timber owned in fee simple, together with two fine modern saw mills, having a normal capacity of 100,000,000 feet of finished lumber per annum.

VALUATION OF SECURITY.

Lands and standing timber owned in fee.....	\$3,562,770.67
Farm lands and city real estate.....	75,050.75
Plants and equipment.....	1,544,240.45

Total fixed assets	\$5,182,061.87
Cash and cash assets, net.....	971,692.77

Total assets	\$6,153,754.64
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ACTUAL INVESTMENT IN THE PROPERTY.

Cash investment of stockholders.....	\$3,080,488.79
Investment of bondholders.....	1,200,000.00

Total actual investment.....	\$4,280,488.79
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The stockholders, therefore, have behind the bonds an actual cash investment of more than two and a half times the total issue.

EARNINGS.

Net earnings in 1910 applicable to the payment of principal and interest of these bonds....	\$ 283,418.22
Annual maturing principal of these bonds.....	120,000.00

Available for bond interest.....	\$ 163,418.22
Average annual bond interest charge.....	37,800.00

The net earnings, therefore, after providing for ten per cent of the entire amount of the principal, were sufficient to pay the average annual bond interest nearly four and a half times over.

The year 1910 was a year of extreme depression in the lumber industry. The Company's output was less than 50 per cent of the present normal capacity of its plants. The new mill at Ione, representing an expenditure of over \$750,000, was only recently put in operation and contributed only a nominal amount to the Company's earnings. Under normal conditions the Company's output in finished lumber will be 100,000,000 feet per annum, and its net earnings

applicable to the protection of principal and interest of these bonds will be in excess of \$600,000 a year.

SINKING FUND.

The mortgage securing these bonds provides that on or before the 15th day of each month beginning with the month of March, 1911, there shall be deposited with the Trustee a sinking fund equivalent to \$3 per thousand feet on all timber cut and removed from the Company's property during the preceding calendar month. This sinking fund shall be applied to the payment of the semi-annual instalments of the principal of these bonds as they mature, and any surplus remaining in the sinking fund at the end of any six months period may, at the Company's option, be utilized in one of the three following ways:

First: It may remain in the sinking fund.

Second: It may be applied in redeeming the bonds in the reverse of their numerical order at 105 and interest.

Third: It may be used in the purchase of additional timber and timber lands, subject to the approval of Peabody, Houghteling & Company.

This sinking fund is sufficient to pay off the entire principal of these bonds from the exhaustion of less than one-half of the Company's standing timber.

DESCRIPTION OF SECURITY.

The Panhandle Lumber Company was incorporated in 1906 under the laws of the State of Idaho for the purpose of doing a general lumber business. The Company immediately began to purchase judiciously at low cost, and to assemble for its future needs, important blocks of standing timber in the territory of the Pend Oreille River valley, and it has now in complete operation two of the most modern and efficient mills in this country.

TIMBER.—The Company now owns in fee simple 89,294.83 acres of land and 943,978,490 feet of merchantable standing timber in the Counties of Kootenai and Bonner in the State of Idaho, and in the Counties of Spokane and Stevens in the State of Washington. These timber properties comprise: 216,528,256 feet of white pine, 277,180,652 feet of yellow pine, 450,269,582 feet of mixed timber, principally cedar, spruce, larch and fir. In addition to this timber, these lands contain 465,668 cedar poles of merchantable size. These timber properties are well located with respect to the Company's mills, being available both by rail and water at low operating and transportation cost.

MILLS.—The Company owns and operates two of the largest and most modern mills in the west, located re-

spectively at Spirit Lake, Idaho, and at Ione, Washington. The Spirit Lake mill, which was completed in 1908, contains two double cutting 9 foot band saws, together with all accessory equipment. The plant includes lath mill, planing mill, dry kilns and complete manufacturing and shipping facilities for handling an annual output of over 50,000,000 feet of finished lumber and lumber products. The Company's mill at Ione was completed in 1910 and is an exact duplicate of the Spirit Lake mill, except that it is electrically driven. The electric plant of the Ione mill uses sawdust and refuse for fuel and does a profitable and steadily increasing business in general power and lighting in its vicinity. The aggregate normal capacity of these two mills is 100,000,000 feet of lumber per annum and the maximum capacity over 150,000,000 feet per annum. In order to justify so large an investment in plants, the Company is pursuing the commendable policy of purchasing for current manufacture the standing timber and logs of other owners and preserving as far as possible its own timber, as well as applying its surplus funds from time to time in adding to its timber reserves. The total amount of virgin timber within economic reach of the Company's mills is in excess of fifteen billion feet.

TRANSPORTATION FACILITIES.—The Company's transportation facilities are probably not equalled, and are certainly not excelled by those of any other lumber company in the West. The Idaho & Washington Northern Railroad, owned largely by the stockholders of the Panhandle Lumber Company, and built and equipped in the most substantial manner, runs practically through the center of the Company's timber properties. This line connects with the five main transcontinental trunk lines centering at and near Spokane and enables the Company to ship its product to all markets reached by these transcontinental lines at the same rates as if the Company's mills were actually located on these trunk lines.

MARKET.—The lower grades of the Company's product are marketed in the local territory immediately tributary to the mills, and as far east as the Mississippi River, and as far south as Denver, Colorado, including the very profitable and growing market of the Canadian prairie provinces of Saskatchewan and Manitoba, into which section the Company shipped last year over 5,000,000 feet of lumber. The western pine shop lumber is marketed largely in Wisconsin and Iowa, being shipped to the sash and door mills in these states. The better grades of boards are largely used in the Chicago market, where they command an excel-

lent price. The white pine product is sold principally in New York, Pittsburg, Cleveland and Chicago.

QUALITY OF PRODUCT.—The percentage of high grade lumber in the Company's product is unusually high. Its western pine timber produces an average of from 50 to 60 per cent No. 3 shop or better. Its white pine runs about 70 per cent No. 2 common, or better. The percentage of low grade product in both classes of pine is extremely small, being only about 5 per cent No. 4 boards as against about 40 per cent in the Minnesota mills.

EARNINGS.—During the year 1910 the Company sold from its Spirit Lake plant, 41,995,799 feet of lumber, and from its Ione plant 7,379,455 feet, making a total of 49,375,254 feet and its net earnings applicable to the payment of principal and interest of these bonds were \$283,418.22, equivalent to \$5.75 per thousand feet of lumber sold. In considering these figures for the year 1910 it is proper to call attention to the following facts:

1st: The Company received practically no benefit from its new mill at Ione recently completed and representing a cash investment of over \$750,000.

2nd: The business of the year represents less than 50 per cent of the Company's present normal capacity.

3rd: The year was one of extreme depression in the lumber industry.

In view of these facts the showing is an unusually creditable one and proves beyond question the ability of this Company to protect the principal and interest of its bonds under the most adverse conditions. The Company now has manufacturing and shipping facilities for an output of 100,000,000 feet of lumber per annum, and with the return of normal conditions in the lumber business, it may be conservatively estimated that its margin of profit per thousand feet will be increased at least 50 per cent over the figures of last year.

FINANCIAL CONDITION.—After receiving the proceeds of these bonds, which have been issued for the purpose of retiring its floating indebtedness, the Company's condition will be as follows as of January 1st, 1911:

ASSETS.

Land and standing timber.....	\$1,697,856.32
Farm lands and city real estate..	66,699.25
Plants and equipment.....	1,544,240.45
Logs, lumber and supplies.....	680,240.96
Cash, accounts and bills receivable.	333,442.14

Total assets\$4,322,479.12

LIABILITIES.

Capital stock outstanding.....	\$2,892,200.00
Surplus earnings	188,288.79
First mortgage bonds.....	1,200,000.00
Accounts payable, not yet due....	41,990.33

Total liabilities\$4,322,479.12

From the above statement it is evident that the Company has a net working capital of \$971,692.77, and that it has no liabilities except this issue of bonds and current accounts not yet due of \$41,990.33. The above balance sheet shows the Company's assets at their actual cash cost and does not reflect the large actual increase in the value of its lands and standing timber, the true value of which is shown under the heading "Valuation of Security" on the front page of this circular.

FIRE RISK.—A careful investigation of this subject develops the fact that forest fires do not destroy, but only kill timber of this character and where killed timber is promptly cut and manufactured 100% of its value is recovered. In the case of the Panhandle Lumber Company, the proximity of its timber to its mills and its enormous manufacturing capacity enables it to recover any fire-killed timber promptly and without any loss whatever. As a matter of actual experience, it is interesting to note that by reason of the clearing of the underbrush by forest fires, the actual logging cost to the Company of fire-killed timber is shown to be from one to two dollars per thousand feet less than the normal operation of unburned forest, while the market value of the product is not in any way impaired.

The Panhandle Lumber Company belongs to an association of timber owners in this territory, formed for the mutual preservation of their forests from fire. This association maintains an efficient corps of rangers to patrol the forests during the summer season when the dry condition of the underbrush makes fires possible. The fire hazard in the timber of the Panhandle Lumber Company is commercially negligible and cannot, in our opinion, endanger the security for these bonds.

MANAGEMENT.—The management of the Company is in efficient and conservative hands. The President, Mr. F. A. Blackwell, who has active charge of the Company's affairs, is a man of the highest integrity, with a long and unbroken record of success in the lumber business. The manufacturing and selling organizations of the Company are complete and efficient. The stockholders of the Company are men of substantial means and are well able to protect their investment.

We have been familiar with the Panhandle Lumber Company ever since its incorporation in 1906. Our experience with Mr. Blackwell and his associates in their railroad and other enterprises extends over a long period of years and has been of the most satisfactory character. Through our own auditors and experts we have made a thorough investigation of the security behind these bonds, and titles to the Company's property, and all legal procedure, in connection with the issuance of these bonds have been approved by Charles L. Heitman, Esquire, of Spirit Lake, Idaho, acting in conjunction with our own legal department.

We recommend these bonds as an unusually sound and desirable investment for the following reasons:

First: The timber security alone is conservatively valued at three times the amount of the bonds.

Second: The Company's total assets are over five times the amount of the bonds.

Third: The serial payments on account of principal will rapidly increase the already large margin of security.

Fourth: The Company's earnings under the most adverse conditions show a large margin over both principal and interest requirements.

Fifth: The stockholders have an actual cash investment of over \$3,000,000 behind the bonds.

Sixth: The ownership of the Company is in strong hands and its management is experienced and successful.

The bonds will be ready for delivery on or about March 1st.

Price, 101 and accrued interest.

Delivery will be made at any bank desired, express prepaid.

Telegraphic orders may be sent at our expense.

Applications will be filled in the order in which they are received.

PEABODY, HOUGHTELING & CO.,
105 S. La Salle Street, Chicago.

EXHIBIT NO. 5.

McCOY & CO., 105 S. La Salle St., Chicago.

We own and offer, subject to prior sale: \$600,000 J. M. Thompson Lumber Company (capital and surplus, \$1,522,721), Houston and Trinity, Texas, First Mortgage 6 Per Cent Gold Bonds. Secured by about 67,000 acres of virgin short leaf yellow pine timber lands, owned in fee simple, located in Houston, Trinity and Walker Counties, Texas, containing over 413,300,000 feet, log scale, of standing merchantable timber, according to estimates of Lemieux Broth-

ers & Company, of New Orleans, La. We appraise the current market value of the property covered by this mortgage at \$1,921,260 or more than three times the amount of bonds outstanding.

The mortgage provides that none of the timber standing on the lands covered by this issue can be cut or turpentine-during the life of these bonds.

Central Trust Company of Illinois, Chicago, Trustee.

Principal and interest guaranteed individually by the officers: J. A. Thompson, President; J. N. Lewis Thompson, 1st Vice-President and General Manager; H. H. Thompson, 2d Vice-President; L. N. Thompson, Secretary; Alex. Thompson, Treasurer.

The guarantors of these bonds are lumbermen of many years' successful experience in Texas. They control four large lumber companies, which own about two billion (2,000,000,000) feet of merchantable timber in eastern Texas.

FINANCIAL STATEMENT.

Capital stock	\$1,000,000
Surplus	522,721
Bonds authorized.....	\$800,000
Held by trustee for purchase of additional timber lands in fee simple, at not exceeding \$1.50 per 1,000 feet of standing yellow pine timber....	200,000
Outstanding	<hr/> \$ 600,000

Dated July 1, 1908. Principal and semi-annual interest (January and July 1st) payable at the office of the Trustee. Principal may be registered if desired. Denominations, \$1,000 and \$500.

Bonds mature in series each six months as follows:

\$75,000 due July	1, 1911
75,000 due January	1, 1912
75,000 due July	1, 1912
75,000 due January	1, 1913
75,000 due July	1, 1913
75,000 due January	1, 1914
75,000 due July	1, 1914
75,000 due January	1, 1915

Price any maturity, par and interest, yielding 6 per cent.

This mortgage to the Central Trust Company of Illinois, as Trustee, is a first lien on about 67,000 acres of un-

cut virgin timber lands, well grouped, located in Houston, Trinity and Walker Counties, Texas, heavily timbered with short leaf yellow pine.

The trust deed provides that none of the timber standing on the lands covered by this issue can be cut or turpentine during the life of any of these bonds.

For further information in regard to the property securing these bonds and the personnel of the guarantors, we refer you to letter of J. Lewis Thompson, vice-president and general manager of the Company, attached hereto.

TITLES AND MORTGAGE.

The titles to the lands covered by this mortgage have been carefully examined and certified by our counsel, Mr. Samuel Adams, of Chicago, under whose legal direction the mortgage and bonds were prepared.

VALUE OF PROPERTY.

Careful estimates of the timber have been made in detail by Messrs. Lemieux Brothers & Company, of New Orleans, La., which summarized, are as follows:

	Feet
Short leaf yellow pine.....	341,050,000
Hardwoods, mostly fine oak and good gum	72,265,000
Total	413,315,000

We appraise the property under this mortgage as follows:

341,050,000 feet pine, at \$4.00 per 1,000 feet	\$1,364,200
72,265,000 feet hardwood, at \$4.00 per 1,000 feet.....	289,060
67,000 acres at \$4.00 per acre, agri- cultural value	268,000
Total	\$1,921,260

This mortgage is at the rate of \$1.76 per 1,000 feet of standing yellow pine timber, and at the rate of only \$1.46 per 1,000 feet of all merchantable timber, not taking into account the agricultural value of the lands, owned in fee, after the timber is removed.

Lemieux Brothers & Company, in their report to us, state as follows:

"Our book of estimates on the lands of the J. M. Thompson Lumber Company, of Houston, Texas, has recently been submitted to you; the book shows the amounts of the

different kinds of timber on each survey, but the purpose of this letter is to give you some further information regarding the general character of the land, gathered during our personal examination of it.

"As will be seen from the map of the property, the various surveys constitute an almost solid body, very compact, which is one of the requisites of an easily logged tract of timber land. We think that, taking into account in this case all conditions which ordinarily affect logging operations, this timber could be logged very cheaply; good transportation facilities are afforded by the railroads now running through the tract, the International & Great Northern and the Trinity & Sabine railroads, and the Beaumont & Great Northern. The latter, although but a short road used for a logging railroad, could undoubtedly be made of much service in developing this property. The only part of the tract for which a railroad would have to be built is the part lying west of the town of Trinity, and, as the land there is very gently rolling, there would be very little grading required in the building of the railroad, and no bridges, as there are no streams of any consequence in this part of the property. The surface of the land throughout is gently rolling, just enough to give it good drainage, although it is not far from level; the pine land is never overflowed, and there would be no trouble with high water in conducting logging work.

We consider the timber good short leaf pine, green and thrifty. The estimate, carefully made under the supervision of our Mr. F. A. Lemieux, is accurate and the figures speak for themselves. Besides the short leaf pine above mentioned, there is a large amount of good hardwood timber on the land, which adds a great deal to the value of the tract."

TIMBER VALUES.

It is now a matter of common knowledge that standing timber in the United States is constantly becoming more scarce and rapidly increasing in value. This increase in values has been especially marked in the last three years, owing to the rapid depletion of the forests to supply the constantly increasing demand for lumber. The United States Department of Agriculture (Forest Service) reports that the timber of this country is being consumed three to four times as fast as its natural increase. The consumption of lumber per capita is more now than ever before. The increase in population from 1880 to 1890 was 52 per cent., but the increase in the lumber cut was 94 per cent. Yellow pine (the kind of timber standing on the lands covered by this mortgage) is still far in the lead

as a lumber producer, supplying about thirty-five per cent. of the total cut. During the period from 1899 to 1906 the increase in production of yellow pine was about 21 per cent., while the increase in value was 77 per cent. With an increasing demand for lumber products and a decreasing supply of the raw material—standing timber—it is evident that the value of timber lands will continue to increase. There is today no commodity more stable in price than well located timber lands, and consequently no security upon which money can be loaned with greater safety.

GUARANTY.

The payment of the bonds and interest thereon is guaranteed unconditionally by the five Thompson Brothers.

J. A. Thompson, Taylor, Texas, President J. M. Thompson Lumber Company, owner line of retail lumber yards, Director Taylor National Bank.

J. Lewis Thompson, Houston, Texas, First Vice-President and General Manager J. M. Thompson Lumber Company, President and General Manager Thompson & Tucker Lumber Company, President and General Manager Thompson Brothers Lumber Company, President and General Manager Thompson & Ford Lumber Company, Director Merchants' National Bank of Houston.

L. M. Thompson, Houston, Texas, Secretary and Director of all Thompson Companies.

H. H. Thompson, Willard, Texas, Second Vice-President J. M. Thompson Lumber Company, Treasurer Thompson & Tucker Lumber Company, Treasurer Thompson Brothers Lumber Company, Director Thompson & Ford Lumber Company.

Alex. Thompson, Doucette, Texas, Treasurer J. M. Thompson Lumber Company, Second Vice-President Thompson & Tucker Lumber Company, Vice-President Thompson Brothers Lumber Company, Director Thompson & Ford Lumber Company.

The guarantors own the J. M. Thompson Lumber Company (maker of this bond issue) which is a timber holding company organized by their father, Mr. J. M. Thompson, the first manufacturer of lumber in Texas. The property owned by this company and covered by this bond issue is one of the finest tracts of short leaf yellow pine in the South, and is so regarded by prominent lumbermen. They own 75 per cent. of the Thompson & Tucker Lumber Company, also organized by their father in 1852, with a large lumber manufacturing plant at Willard, Texas, and about 41,000 acres, owned in fee simple, of virgin long leaf yellow pine timber lands in Trinity and Polk counties.

This is the oldest lumber manufacturing company in Texas. They own 75 per cent. of the Thompson Brothers Lumber Company, which owns about 39000 acres of virgin long leaf yellow pine timber lands in Tyler County, Texas. This company is now completing a large modern lumber manufacturing plant at Doucette in place of the one recently destroyed by fire. The Thompson & Ford Lumber Company is largely owned by the Thompson Brothers. J. Lewis Thompson is president and general manager. This company operates one of the largest and most modern lumber manufacturing plants in Texas, at Grayburg, and owns in fee simple and by long time leases the standing timber on about 51,000 acres of virgin short leaf yellow pine timber lands in Hardin, Liberty and Jefferson Counties, Texas.

It is the opinion of J. Lewis Thompson, general manager of all the Thompson companies, and who has personally inspected the timber lands owned by the companies, that they will safely cut two billion (2,000,000,000) feet of merchantable lumber.

FIRE HAZARD.

Timber located in the Southern States has never been destroyed by fire. This statement will be verified by lumbermen and other persons familiar with southern timber. Any serious damage by fire is impossible because of the absence of undergrowth and the height of the trees. This is one of the most important facts in connection with this security.

DATES OF PAYMENT.

These bonds are issued in denominations of \$1,000 and \$500 each, and are due and payable each six months. (See first page.) All or any of the bonds may be paid at any interest period prior to maturity on sixty days' notice at a premium of 3 per cent. and accrued interest.

All bonds offered by us are subject to sale, change of price or withdrawal. We use our best endeavors to carefully examine the details connected with the bonds offered, and while we do not guarantee information and statements in our letters and circulars regarding securities, they are the expressions of our belief, or are statements that have been made to us from what we consider reliable sources and upon which we have acted. We can furnish the written opinion of our attorneys on each issue. Orders for bonds may be telegraphed at our expense. Bonds delivered to purchaser, express prepaid, payable in New York or Chicago exchange.

J. A. Thompson, Pres.

J. L. Thompson, Vice-Pres.

L. N. Thompson, Secy.

Alex. Thompson, Treas.

Hoxie H. Thompson, Vice-Pres. and Man.

J. M. THOMPSON LUMBER COMPANY

Capital and Surplus \$1,200,000.00.

Manufacturers of Yellow Pine Lumber

Houston, Texas, December 18, 1908.

Messrs. McCoy & Co., Chicago.

Gentlemen:—Referring to bond issue of the J. M. Thompson Lumber Co., I believe it would be of interest to your clients to know something of the history of this company and of the personnel of the guarantors—viz., J. A., J. L., L. N., H. H., and Alex. Thompson.

J. M. Thompson, founder of the company, began the manufacturing of lumber in 1852, under the firm name of The Thompson & Tucker Lumber Company, and celebrated his fiftieth birthday in lumber manufacturing by retiring from active operation, and in the spring of 1902 disposed of his holdings in the Thompson & Tucker Lumber Company, the oldest lumber manufacturing concern in Texas, of which he was founder and was for fifty years the active head. It was after retiring from active business that he considered the idea of organizing a timber holding company to be composed entirely of members of his immediate family. The 70,000 acres of fee land, and more than 400 million feet of timber (according to Lemieux Brothers & Company's detailed report, which is in your possession) now owned by J. M. Thompson Lumber Company, is the outgrowth of this idea.

J. M. Thompson died in April of 1907, after having spent 55 years in the lumber business in the State of Texas. The five guarantors of these bonds, J. A., J. L., L. N., H. H., and Alex. Thompson, are all sons of J. M. Thompson, and have been connected with the lumber business from their youth.

J. A. Thompson is a resident of Taylor, Texas, and has a line of retail yards; is a man of 54 years of age.

J. L. Thompson is president and general manager of Thompson & Tucker Lumber Company and Thompson Bros. Lumber Company.

L. N. Thompson is general sales agent of these two companies.

H. H. Thompson is manager of manufacturing plant of Thompson & Tucker Lumber Company, at Willard, Texas.

Alex. Thompson is manager of Thompson Bros. Lumber Company at Doucette, Texas. We are also interested

in the Thompson & Ford Lumber Company at Sour Lake, Texas.

After the completion of the new plant of Thompson Bros. Lumber Company, now in course of construction at Doucette, Texas, the output of this plant and the plant of the Thompson & Tucker Lumber Company at Willard, Texas (of which companies we are in active ownership of 75 per cent of the property), will be 50 million feet annually, which two plants are backed up by more than 900 million feet yellow pine stumpage.

The writer has personally inspected the entire holdings of the J. M. Thompson Lumber Company, and every tract has been purchased by me only after a personal inspection of the timber. It is my opinion and the opinion of all those interested, that this tract of timber, when milled, will produce not less than 500 million feet of lumber. Most of my business life has been spent in the woods in connection with our logging operations, and it is my opinion that for a short leaf pine proposition this tract of timber cannot be excelled as a logging venture. This statement can be easily verified from a personal inspection by practical loggers. Location of manufacturing plant at Trinity, Texas, would make longest haul for any timber 17 miles, or an average haul of entire tract of timber not to exceed 10 miles. The entire tract can be logged, in my opinion, at a maximum cost of \$3.00 per thousand feet.

A plant at Trinity would have access to three lines of railways: International & Great Northern (part of Gould System); Missouri, Kansas & Texas Railway Company from Trinity to Colmesneil, where the Texas & New Orleans (a Southern Pacific road) would be intersected; the Beaumont & Great Northern, which is now completed from Trinity to Livingston—with Beaumont as its objective point—at Livingston it connects with the Houston East & West Texas Railway Company.

From this it can readily be seen that from an operator's viewpoint this is an especially desirable tract of timber. It is my opinion that all southern pine timber has a commercial value of \$4 per M. I think, however, a specially favorable tract for logging purposes is worth as much more than \$4 per M, as it can be logged less than \$3.50 per M. I figure logs delivered at pond are worth \$7.50 per M, which figures I believe are generally accepted by all practical lumbermen of today.

This bond issue will represent the entire indebtedness of the company.

I submit below statement of the J. M. Thompson Lumber Company, Oct. 1, 1908:

ASSETS.

413 million feet stumpage at \$3 per M.....	\$1,239,000
Bills receivable	80,000
67,907 acres land owned in fee at \$3 per acre.....	203,721

Total\$1,522,721

LIABILITIES.

Capital stock	\$1,000,000
Surplus	522,721

Total\$1,522,721

It is the opinion of the writer, from a personal inspection, that the lands of the four Thompson companies will safely cut two billion (2,000,000,000) feet of merchantable timber.

Assuring you of my willingness to furnish any further information that you or your clients might desire in connection with these properties, I am pleased to remain,

Yours truly,

J. L. THOMPSON,

Vice-Pres. and Gen'l Manager,

J. M. Thompson Lumber Co.

McCOY & COMPANY,

105 So. LaSalle St.,

Chicago.

EXHIBIT NO. 6.

CLARK L. POOLE & CO.,

BANKERS.

Chicago.

Six per cent. Timber Land Bonds. Secured by 148,200 acres of virgin redwood, sugar pine and fir timber lands, owned in fee simple, and 8,000 acres timber leases located in Humboldt and El Dorado Counties, California, and Coos, Curry, Douglas and Lincoln Counties, Oregon, estimated to contain over seven billion eight hundred and fifteen million (7,815,000,000) feet of merchantable timber. We appraise the present market value of this timber at ten million six hundred thousand (\$10,600,000) dollars, or more than three and one-half times the amount of bond issue. The bonds are also a first lien on two lumber manufacturing

plants, now in operation, at Marshfield (Coos Bay), Oregon, and two large plants and standard gauge railroad to be constructed in connection with the timber holdings in California.

We offer, subject to prior sale, at par and interest, \$3,000,-000 6 per cent. First Mortgage Gold Bonds of the C. A. Smith Timber Company, of Marshfield, Ore. Principal and interest guaranteed by C. A. Smith, Minneapolis, Minn.

Dated April 1, 1908. Coupon bonds, \$1,000 and \$500 each. Principal may be registered. Bonds mature:

\$100,000	October 1, 1909	\$200,000	October 1, 1913
100,000	April 1, 1910	200,000	April 1, 1914
100,000	October 1, 1910	200,000	October 1, 1914
200,000	April 1, 1911	200,000	April 1, 1915
200,000	October 1, 1911	200,000	October 1, 1915
200,000	April 1, 1912	200,000	April 1, 1916
200,000	October 1, 1912	200,000	October 1, 1916
200,000	April 1, 1913	300,000	April 1, 1917

Principal and interest payable at Central Trust Company of Illinois, Trustee, Chicago.

Mr. C. A. Smith, who personally guarantees the payment of the principal and interest of these bonds, is one of the largest individual owners of timber lands in the United States. Mr. Smith has been for the past twenty years, and is at the present time, one of the largest and most successful manufacturers of white pine lumber in the North, at Minneapolis, Minn.

THIS MORTGAGE

To the Central Trust Company of Illinois, as Trustee, is a first lien on the following virgin timber lands owned in fee simple:

30,480 acres of redwood timber lands in Humboldt County, California.

45,320 acres of sugar and yellow pine timber lands in El Dorado County, California.

61,760 acres of fir, cedar, spruce and hemlock timber lands in Coos, Curry and Douglas Counties, Oregon.

10,640 acres of fir, cedar, spruce and hemlock timber lands in Lincoln County, Oregon.

8,000 acres sugar and yellow pine timber leases in El Dorado County, California.

Total, 156,200 acres.

The above tracts of timber lands are all well grouped, and compare favorably as to location and accessibility, quality and density of growth (which three factors determine the value of timber lands) with the best holdings on

the coast. Map showing locations of these lands can be seen at our office.

The bond issue also covers the two saw mill plants owned by the company, and located at Marshfield, Ore., on Coos Bay, one of the best harbors on the Pacific Coast. (Complete description of mill property will be sent upon request.)

The greater part of the proceeds of the bond issue will be used to build two large lumber manufacturing plants and standard gauge railroads in connection with the timber lands in California referred to above; all of this acquired property becomes subject to the lien of these bonds. The balance of the proceeds is to be used to retire floating indebtedness.

TIMBER ESTIMATES.

Careful estimates of the timber have been made in detail by expert timber estimators and verified by our own cruisers, in charge of Mr. W. E. Straight, a well known and competent timber estimator with over twenty years' experience. (Detail estimates can be seen at our office. Copy of our cruiser's report will be sent on application.) These estimates are summarized as follows:

	Acres.	Feet.
Coos, Curry and Douglas Counties,		
Oregon	61,760	3,187,585,000
Lincoln County, Oregon.....	10,640	651,335,000
El Dorado County, California.....	53,320	1,473,087,000
Humboldt County, California.....	30,480	2,503,555,000
Total	156,200	7,815,562,000
Average per acre of 50,035 feet, log scale.		
Above total estimates consist of the following:		
Redwood	1,781,170,000	feet
Sugar pine	663,070,000	feet
California white pine.....	439,690,000	feet
Fir	4,233,177,000	feet
Cedar	242,890,000	feet
Spruce	264,580,000	feet
Hemlock	190,985,000	feet
Total	7,815,562,000	feet

These estimates are based upon log scale of uncut merchantable timber. The timber is of exceptionally good quality and the whole situation is favorable from a logging and lumbering standpoint.

We appraise the market value of the redwood, sugar pine and white pine timber—2,833,- 930,000 feet—at \$2.00 per 1,000 feet.....		\$5,767,860.00
Fir, cedar, spruce and hemlock timber—4,931,- 632,000 feet at \$1.00 per 1,000 feet.....		4,931,632.00
		<hr/> \$10,699,492.00

The value of the standing timber at the above conservative appraisal is \$10,699,942.00, or more than three and one-half times the amount of this bond issue, without taking into account the mill properties at Coos Bay, costing over \$400,000, or the additional railroad and mill properties to be constructed with the proceeds of this bond issue.

Our cruisers report that all of the lands in Coos, Curry and Douglas Counties, Oregon, are so located that every acre can be logged to advantage either by water or by railroad, and it is all tributary to the saw mills on Coos Bay, at Marshfield, Oregon. The Coquille River and branches, and the Umpqua River and branches intersect the whole tract. A large part of the land in Coos County is located on tide water bayous.

The greater part of the land in Humboldt County, California, is located upon the bottom lands of Redwood and Prairie creeks; a very small percentage is on mountain slopes which verge toward these creeks. The Southern Pacific Railroad's new coast line from Portland to San Francisco, now building from Drain, Oregon, to Marshfield, Oregon, and from there surveyed to Trinidad, California, will pass through these lands.

The main body of the land in El Dorado County, California, is located on a plateau and is favorably situated for logging operations.

For further information in regard to this property we refer to letter of C. A. Smith, president, attached hereto.

TITLES AND MORTGAGE.

The titles to the lands covered by this mortgage have been carefully examined and certified by our counsel, Mr. Samuel Adams, of Chicago, under whose legal direction the mortgage and bonds were prepared. See letter attached of ex-Governor John Lind and A. Ueland, attorneys, of Minneapolis, Minn., certifying to the titles of a great part of these lands.

GUARANTY.

The payment of the principal and interest of these bonds is unconditionally guaranteed by endorsement on each bond by Mr. C. A. Smith, of Minneapolis, Minn. Mr. Smith,

with one exception, is the largest individual owner of timber lands in the United States. The lands individually owned by him are located adjacent to and intermingled with the lands covered by this bond issue and the timber standing thereon will come out over the railroads and be manufactured at the mills, now in operation, or to be constructed from the proceeds of this bond issue. Mr. Smith has been for the past twenty years, and is at the present time, one of the largest and most successful manufacturers of white pine lumber in the north, at Minneapolis. He is president and sole owner, aside from small interests owned by the men directly connected with the management, of the following companies:

C. A. Smith Lumber Company, Minneapolis, Minn.

C. A. Smith Timber Company, Minneapolis, Minn.

C. A. Smith Timber Company, Marshfield, Ore.

C. A. Smith Lumber & Manufacturing Company, Marshfield, Ore.

Smith-Powers Logging Company, Marshfield, Ore.

The net worth of the guarantor is many times the amount of this bond issue. (See letter of Mr. Smith attached hereto.)

REDEMPTION FUND.

The mortgage, under careful restrictions, requires a deposit with the Trustee of \$3.00 per thousand feet, log scale, for all timber cut and manufactured into lumber, based upon the estimates filed with the Trustee. The company is required to deposit this redemption fund with the Trustee for each forty acres or more before cutting any of the timber on the same. This redemption fund applies to the payment of the principal only and is on a basis which will operate to retire all of the bonds before consuming 15 per cent. of the standing timber. The company is required to carefully account to the Trustee for all timber cut, and the provisions of the mortgage covering this point are rigidly and carefully drawn. Should the deposits under the redemption fund exceed the amount of bonds maturing in any year, the Trustee is required to purchase or call for redemption, at a premium of 3 per cent and accrued interest, the unmatured bonds to an amount sufficient to exhaust the surplus.

TIMBER VALUES.

It is now a matter of common knowledge that standing timber is becoming more scarce and higher in market price. This increase in values has been especially marked within the last three years, owing to the rapid depletion of the forests to supply the constantly increasing demand

for lumber. The following is taken from statistics of the Forest Service, United States Department of Agriculture. The consumption of lumber per capita is greater now than ever before, and the timber of this country is being consumed three to four times as fast as its natural increase. The increase in population from 1880 to 1900 was 52 per cent, but the increase in the lumber cut was 94 per cent. Yellow pine is still far in the lead as a lumber producer, supplying about 33 per cent of the total cut. Second in importance is Douglas fir, which furnished 13.2 per cent, followed by white pine with 12.2 per cent.

During the period from 1899 to 1906—

The Increase in Production of

Yellow Pine was.....	20.7 per cent
Douglas Fir was.....	186.2 per cent
Redwood was	83.2 per cent
Cedar was	53.7 per cent
Spruce was	1.3 per cent
Hemlock was	3.1 per cent
Western Pine was.....	46.9 per cent
Cypress was	69.3 per cent

The Decrease in Production of

White Pine was.....	40.8 per cent
Poplar was	38.7 per cent

The Increase in Value of

Yellow Pine was.....	77 per cent
Douglas Fir was.....	63 per cent
Redwood was	64 per cent
Cedar was	66 per cent
Spruce was	53 per cent
Hemlock was	54 per cent
Western Pine was.....	44 per cent
Cypress was	64 per cent

The Increase in Value of

White Pine was.....	45 per cent
Poplar was	73 per cent

With an increasing demand for lumber products and a decreasing supply of the raw material—standing timber—it is evident that the values of timber lands will continue to increase. There is today no commodity more stable in price than timber lands, and consequently no security upon which money can be loaned with greater safety.

FIRE HAZARD.

It is well known, generally, that a redwood forest has never been destroyed by fire. There is no fire hazard what-

ever in redwood timber. The lands of the C. A. Smith Timber Company, in Oregon, are located adjacent to the Pacific Ocean in what is known as the fog belt. During the greater part of the year the lands in this belt are subject to heavy rains and dense fogs, which to a large extent eliminates the fire hazard. These lands differ entirely in this respect from the timber lands located on the east side of the mountain range.

In regard to the sugar and California white pine, we quote from a bulletin issued by the Forest Service: "The power of mature sugar pine to resist fire is sometimes under-rated, for in this respect it far surpasses eastern white pine and compares favorably with most of its associates. Mature trees are very rarely killed by fire, unless it should get into the crown, and although sugar pine has a much thinner bark than either yellow pine or Douglas spruce, it ranks well up in the list of fire resistance, the trees usually continuing to flourish without apparent permanent injury long after the butt has been badly burned." The danger from fire has been greatly lessened also by the great care exercised by the lumbermen generally to protect their timber holdings. The C. A. Smith Timber Company and other large holders of timber lands on the coast have organized fire patrol systems which co-operate with the fire patrol system of the Government in the Forest Reserves to guard against any possibility of fire. There are no indications of a destructive fire ever having gone through the forests covered by this bond issue. Further particulars on this subject will be sent upon request.

DATES OF PAYMENT.

The bonds are issued in denominations of \$1,000 and \$500 each, and are due and payable each six months. (See first page.) All or any of the bonds may be paid at any interest period prior to maturity on sixty days' notice at a premium of 3 per cent and accrued interest.

Prices of bonds for long or short time, par and accrued interest, yielding six per cent.

The above statements are based on information and data believed by us to be trustworthy and reliable, and while not guaranteed by us, have been accepted and acted upon by us in the purchase and appraisal of the bonds and the property securing the same.

C. A. SMITH TIMBER COMPANY,
411 Andrus Building.

C. A. Smith, President.

Minneapolis, Minn., Feb. 28, 1908.

Messrs. Clark L. Poole & Co.,

First National Bank Bldg., Chicago, Ill.

Gentlemen:

Complying with your request for general information regarding the C. A. Smith Timber Company and the C. A. Smith Lumber & Manufacturing Company, of Marshfield, Oregon, as well as myself, I am pleased to submit the following:

The C. A. Smith Timber Company is a corporation incorporated under the laws of the State of Oregon for three and one-half million dollars, fully paid up. Its general office is at Marshfield, Oregon. The officers of the company are:

C. A. Smith, President, Minneapolis, Minn.

J. E. Oren, Vice-President, Marshfield, Oregon.

C. L. Trabert, Secretary, Minneapolis, Minn.

A. H. Powers, Treasurer, Marshfield, Oregon.

This company owns the lands covered by the bond issue of \$3,000,000, constituting about

30,480 acres in Humboldt County, California.

45,320 acres in El Dorado County, California.

61,760 acres in Coos, Douglas and Curry Counties, Oregon.

10,640 acres in Lincoln County, Oregon.

8,000 acres Sugar and Yellow Pine Timber leases in El Dorado County, California.

Total, 156,200 acres.

The timber on these lands has been thoroughly and carefully looked over and estimated by men in our employ, most of whom have been in our employ in Minnesota for a long term of years, and according to such estimates they contain approximately

1,800,000,000 feet of Redwood.

1,100,000,000 feet of Sugar and White Pine.

5,100,000,000 feet of Fir, Spruce and other kinds of Timber.

Total, 8,000,000,000 feet.

According to the best judgment and belief of the estimators as per their certificates attached to said estimates filed with you and the Trustees, said timber will cut twenty

to twenty-five per cent more than such estimates. From re-estimates which we have had made during the last year and from our experience in cutting timber in the vicinity and from the judgment of other people thoroughly experienced in cutting these different classes of timber, I am satisfied that it will cut even considerably more.

As to the present value of this timber, it is very difficult to state. I believe, however, that the redwood, sugar and white pine could readily be sold on a basis of more than \$2.00 per thousand feet, and the fir, spruce and other timber on a basis of more than \$1.00 per thousand feet. This would mean, approximately, based on the above estimates:

1,800,000,000 feet of Redwood, at \$2.00 per thousand feet	\$ 3,600,000
1,100,000,000 feet of Sugar and White Pine, at \$2.00 per thousand feet.....	2,200,000
5,100,000,000 feet of Fir, Spruce and other timber, at \$1.00 per thousand feet.	5,100,000

Or a total of.....\$10,900,000

This price I consider most exceedingly conservative and do believe that these lands and timber could be sold even now at considerably higher prices than above stated, but I would not accept twice said amount.

As an indication of the values of redwood, it might be stated that lands in the same territory where these lands are located and intermingled with these lands, are held at from \$100 to \$200 per acre, making an average of, say, about \$3.00 per thousand feet of timber. Lands intermingled with the sugar and white pine lands are held at from \$50.00 to \$100.00 per acre, making an average of, say, about \$4.00 per thousand feet of timber. A tract of two sections of fir and spruce located in Coos County and in the same territory where these lands are located, but, however, somewhat more convenient, were sold this winter on a basis of \$2.60 per thousand feet.

A contract has been entered into between the C. A. Smith Timber Company and the C. A. Smith Lumber & Manufacturing Company, extending over a period of thirty years, wherein the C. A. Smith Lumber & Manufacturing Company agrees to cut of the timber covered by the bond issue at least fifty million feet a year and pay to the C. A. Smith Timber Company on a basis of \$5.50 per thousand for Port Orford Cedar and \$2.75 per thousand for spruce, fir and other timber during this year, with an advance of fifty cents and twenty-five cents per thousand respectively

each year. I believe that for a long term of years this represents a fair, conservative value and as equitable a deal for both parties as can be made at present.

In a new country, where lumbering operations are just beginning or are being carried on on a small scale, it is difficult to fix actual values of timber. It might be proper for me to state that in the years 1890 to 1893, I purchased in the State of Minnesota considerably over one hundred thousand acres of timber lands at a cost averaging less than \$1.00 per thousand feet for the timber. The most convenient and best of this timber is now cut, but the balance, averaging poorer in quality, more remote and consequently much more expensive to cut and bring to the mills, is today, in my judgment, well worth more than \$12.00 per thousand feet.

As the timber resources of the country are being depleted very rapidly, much more rapidly than in years past, I believe that the increase in values in the timbered districts on the Pacific Coast, where operations are just now beginning to be carried on, will be more rapid than in the last fifteen years in the State of Minnesota.

A very peculiar feature in regard to redwood timber, and which should appeal to investors, and especially to those who are not familiar with timber generally, is that it is practically indestructible. A redwood tree cannot be killed by fire. If it is blown down or severed from the stump and lies on the ground for generations, it can still be cut into lumber practically as good as that from the standing tree.

The sugar and white pine is very similar to the white pine of Michigan, Wisconsin and Minnesota, except that it grows much larger and consequently will cut out several times more of the higher grades of lumber than the timber in these states. As the white pine in these white pine states is being cut out very rapidly and the sugar and white pine of the Sierra Mountains, in California (which, by the way, is quite limited), is the only timber of that class, it can readily be seen that this timber must enhance in value very rapidly.

Regarding the C. A. Smith Lumber and Manufacturing Company, permit me to state that this company was organized with \$750,000 capital, all paid in, to be purely a manufacturing and mercantile company. A small mill, which is covered by the bond issue, was purchased about a year ago and has been in full operation, manufacturing from two to two and one-half million feet per month. The erection of a new mill and a complete lumber manufacturing plant was begun about ten months ago, and is now

completed at a cost of upwards of \$400,000. This plant is also covered by the bond issue. In building this plant it has been done with a great deal of study and care to make it as complete and economical in every way possible as time and money could accomplish. In connection with this plant a distributing yard is being put in on Suisan Bay, near San Francisco. A steamer has been built at a cost of \$300,000 by this company, with a carrying capacity of two and one-quarter million feet, the intention being to use this exclusively for the carrying of the product from this plant to the distributing yard. This company also owns two-thirds interest in the Smith-Powers Logging Company, which is incorporated with a paid-up capital of \$150,000, for the exclusive purpose of logging the timber covered by the contract between the C. A. Smith Timber Company and the C. A. Smith Lumber & Manufacturing Company, and deliver such logs to the mills of the Lumber & Manufacturing Company. I firmly believe that the C. A. Smith Lumber & Manufacturing Company will be able to deliver the lumber at the distributing yard, paying all expenses for transportation, manufacturing, logging and for the timber as per above agreement, at a net cost of less than \$8.00 per thousand feet. At the very lowest price which, as I understand, has ever prevailed in California for fir and spruce, this lumber should average not less than \$12.00 per thousand feet, and, at a fair average price, from \$15.00 to \$18.00 per thousand feet.

As the payment of the bonds and interest are guaranteed by the writer, permit me to state that, with the exception of a small amount owned by the men directly connected with the management of the C. A. Smith Lumber & Manufacturing Company, I am the sole owner, as I am also of the C. A. Smith Timber Company. I also own other large tracts of timber in the States of Oregon and California, which are not covered by the bond issue, but located largely in the same territories. I am also the principal owner of the C. A. Smith Lumber Company and the C. A. Smith Timber Company, of Minneapolis, two very successful companies, and have interests in other manufacturing and mercantile companies, banks, etc. The proceeds of the bonds will be used exclusively for the payment of the floating debts as far as may be necessary, and principally for the building of two other lumbering plants with necessary railroads for the manufacturing of the timber covered by the bond issue. This bond issue will also be a first lien on the new lumbering plants and railroads above referred to.

Yours truly,

(Signed)

C. A. SMITH.

TIMBER BONDS

Law Office of John Lind and A. Ueland, 401 New York
Life Building. Minneapolis.

May 5, 1908.

Clark L. Poole & Co.,
Bankers,
Chicago, Ill.

Gentlemen:

In answer to your favor of May 3rd, permit us to state that we have no hesitancy in recommending the bonds issued by the C. A. Smith Timber Company to our friends and clients for investment. Some years ago we examined the titles to nearly all of the lands in the State of California, and to some of those in the State of Oregon covered by the trust deed to secure these bonds. The titles examined we found good. We are also familiar with the character and value of the timber on these lands, and we regard the estimates and valuations contained in your prospectus as well warranted and conservative. We believe the security absolutely good, and we also regard Mr. C. A. Smith's personal guaranty of the bonds sufficient in itself to insure their prompt payment when due. Yours truly,

(Signed) JOHN LIND and A. UELAND.

CLARK L. POOLE & CO.,
Bankers, Timber Bonds,
Long Distance Telephone, Central 4844. First National
Bank Bldg., Chicago.

EXHIBIT NO. 7.

No. 304.

OTIS & HOUGH, INVESTMENT BANKERS,
Cleveland, Ohio.

We own and offer subject to sale or change in price: \$425,-
000 First Mortgage 6 Per Cent Serial Gold Bonds of

AMERICAN LUMBER COMPANY.

Detroit Trust Company, Detroit, Michigan, Trustee.

DESCRIPTION OF BONDS.

Dated September 1st, 1909. Denominations \$500 and \$1,000.
Principal and semi-annual interest (January and July
1st) payable at the Office of the Detroit Trust Company.

Trustee, Detroit, Michigan. Bonds are redeemable at any bond paying period, at 103 and interest, after forty-five days' published notice. The Company is compelled to pay into the Sinking Fund \$2.00 per thousand feet of lumber cut. This payment is made quarterly. Bonds may be registered as to principal.

Maturities:

\$10,000 Jan. 1, 1911	35,000 Jan. 1, 1915	45,000 Jan. 1, 1919
10,000 Jan. 1, 1912	43,000 Jan. 1, 1916	45,000 Jan. 1, 1920
25,000 Jan. 1, 1913	42,000 Jan. 1, 1917	50,000 Jan. 1, 1921
30,000 Jan. 1, 1914	40,000 Jan. 1, 1918	50,000 Jan. 1, 1922

Price—101 and Interest.

CAPITALIZATION.

The Company is organized under the laws of the State of New Jersey, and capitalized as follows:

Capital Stock authorized and issued.....	8,000,000
Bonds authorized and issued.....	650,000

LEGALITY.

The legality of the mortgage securing this issue of bonds has been approved by Messrs. Goulder, Holding & Masten, of Cleveland, Ohio. It is a first lien on all of the property now owned or hereafter acquired by the Company.

PROPERTY.

The property of the Company consists of over 288,783 acres of land, timbered with white pine, situated in the counties of McKinley and Valencia, New Mexico, and 115 acres of real estate, near Albuquerque, upon which are erected the mills, factories, etc. The foregoing lands are owned in fee. The Company also owns thirty miles of standard gauge railroad, with ample car and motive power for its operation; also all additional logging equipment necessary for the prosecution of its business.

The resources of the Company, as per their financial statement of September 30th, 1909, were as follows:

Timber lands, real estate, construction and equipment	\$8,516,842.86
Bills and accounts receivable, cash and prepaid accounts	166,276.05
Inventory of lumber, material and supplies, etc.	394,206.54
Total	\$9,077,325.45

The proceeds of this issue of bonds has canceled all of the liabilities of the Company, other than its capital shares, and this issue and the Company will have on hand a working capital in cash of about \$100,000, in addition to its accounts receivable and supplies on hand.

The Company earned for the year ending October 31st, 1909, \$100,492.35, including all interest charges, which is equivalent to about three and one-half times the interest on its bond issue.

The estimated amount of timber on the Company's property is 1,400,000,000 feet of merchantable pine. At Albuquerque, New Mexico, the Company has one of the finest lumber manufacturing plants in the country. In addition to a saw mill of 50,000,000 feet per annum capacity, it has a lath and bi-products mill, box factory and door factory, and carries on hand about 20,000,000 feet of lumber of all grades. The land owned by the Company is equivalent to about thirteen townships and is said to be the largest private holding of white pine in the United States.

In order to appreciate the magnitude of this property, we may state that the Company is compelled to carry upwards of \$800,000 of insurance on its mills and manufactured products.

Speaking of the timber land, our expert who made the investigation for us, reports that there is no danger of fire, because the woods are substantially free from underbush and rubbish.

Concerning the logging, he has to say: "The land lays nicely for logging and the railroad can be built cheaply, and the logging to the railroad can be done very reasonably."

In addition to the timber owned in fee, the Company has contracted for approximately 500,000,000 feet (B. M.), and in addition to this, there is an amount of timber equal to or greater than the before mentioned amount of timber contracted, for which this Company is the logical market. The supply of timber in sight will afford this Company material for operation for the next thirty-five to fifty years.

MARKET.

The Company enjoys a very wide market for its products. The great lumber-using States of Kansas, Missouri, Iowa, Colorado, Oklahoma and Texas are within easy shipping distance, and for its high grade of products, it commands a large export trade, via Galveston. A large quantity of lumber is also sold in old Mexico and some on the Pacific Coast.

TITLES.

The titles to the Company's property, in so far as the timber lands are concerned, are just two transfers from the Federal Government, and all their titles are good.

MANAGEMENT.

The officers and directors of the Company are as follows:

Dr. W. H. Sawyer, Hillsdale, Mich., Vice-President.
 Charles F. Wade, Albuquerque, N. M., General Manager.
 Wm. M. Reynolds, Cleveland, Ohio, Secretary.

DIRECTORS.

C. A. Black, Detroit, Mich.	H. D. Goulders, Cleveland, O.
J. M. Mulkey, Detroit, Mich.	Frank Billings, Cleveland, O.
George Peck, Detroit, Mich.	P. L. Webb, Warren, O.
F. M. Stewart, Hillsdale, Mich.	Laurence DeGolyer, Chicago, Ill.
A. F. Freeman, Ann Arbor, Mich.	A. R. Fay, Chicago, Ill.
	H. M. Picking, East Orange, N. J.
J. H. Wade, Ann Arbor, Mich.	
C. H. Winchester, Elkhart, Ind.	N. J. Haywood, New York City.
C. A. Otis, Cleveland, O.	

These men are all experienced business men, and a number of them have had large experience in the operation of timber properties.

INVESTIGATION.

All the conditions calculated to affect the value of these securities have been examined into by our Mr. C. A. Otis, and we have had expert advice of Mr. George E. Breece, President of the West Virginia Timber Company, Charleston, W. Va. They unhesitatingly recommend these bonds.

The Company, in the acquisition of the property, had the advice of Mr. Martin McDermott, formerly of Ludington, Michigan, now of Ashland, Wisconsin, who is connected with the Edward Hines Lumber Company.

RECAPITULATION.

We wish to direct your particular attention to the following strong points in connection with this issue:

1. The bond issue is less than one-tenth of the estimated value of the property.
 2. The bond issue is on a stumpage basis of less than 50c per thousand.
 3. The quick assets of the Company amount to about the bonded debt.
 4. The insurance in force is more than the bonded debt.
 5. The sinking fund is sufficient to pay the entire bond issue more than four times over.
 6. The favorable interest return.
-

Orders may be telegraphed at our expense.

Bonds will be shipped to any Bank, express prepaid, draft payable in New York or Cleveland Exchange.

Statements of fact are statements of the Company and believed by us to be true. We recommend these bonds as a safe and conservative investment.

OTIS & HOUGH,
Investment Bankers,
Cuyahoga Bldg., Cleveland, O.

EXHIBIT NO. 8.

Circular No. 702—July, 1910.

PEABODY, HOUGHTLING & CO.,
105 South La Salle Street, Chicago.

Established 1865.

Cable Address: "Hought," Chicago. Codes Used: Lieber and A. B. C. 5th Edition.

\$1,500,000 First Mortgage 6 Per Cent Serial Gold Bonds, issued by the

STEARNS COAL & LUMBER COMPANY
of Stearns, Kentucky.

Dated July 1st, 1910. Payable in Series as below. Redeemable in the reverse of their Numerical Order on interest dates at 103 and Interest. Coupon Bonds of \$1,000 and \$500 each, with Privilege of Registration

as to Principal. Principal and Semi-Annual Interest payable at the First National Bank of Chicago and the First National Bank of New York. First Trust and Savings Bank, Chicago, Trustee.

DISPOSITION OF BONDS.

Now Issued: To retire all the indebtedness of the Company; to extend railway; to increase saw mill and coal mine equipment and to furnish working capital	\$1,500,000
Reserved: Subject to the written approval of Peabody, Houghteling & Co., for future extensions and improvements and for the acquisition of additional timber and other properties at not to exceed 50 per cent of the actual cash cost of same and for the construction of additional railway at not to exceed 75 per cent of the actual cash cost of main line fully equipped	500,000
Total authorized issue	<u>\$2,000,000</u>

MATURITIES.

Amount.	Term.	Date Maturing.
\$50,000	1 year	July 1, 1911
50,000	1½ years	January 1, 1912
50,000	2 years	July 1, 1912
60,000	2½ years	January 1, 1913
60,000	3 years	July 1, 1913
60,000	3½ years	January 1, 1914
60,000	4 years	July 1, 1914
60,000	4½ years	January 1, 1915
60,000	5 years	July 1, 1915
60,000	5½ years	January 1, 1916
60,000	6 years	July 1, 1916
60,000	6½ years	January 1, 1917
60,000	7 years	July 1, 1917
75,000	7½ years	January 1, 1918
75,000	8 years	July 1, 1918
75,000	8½ years	January 1, 1919
75,000	9 years	July 1, 1919
75,000	9½ years	January 1, 1920
75,000	10 years	July 1, 1920
75,000	10½ years	January 1, 1921
75,000	11 years	July 1, 1921
75,000	11½ years	January 1, 1922
75,000	12 years	July 1, 1922

Bonds reserved for future issue, shall, if issued, mature at the rate of \$100,000 every six months, beginning January 1st, 1923.

These bonds are secured by an absolute first mortgage upon all the property now owned and that may hereafter be acquired by the Stearns Coal & Lumber Company, and also, through deposit with the Trustee of its entire issued capital stock and total closed issue of first mortgage bonds, upon all the property now and hereafter owned by the Kentucky & Tennessee Railway Company.

GUARANTEE.

These bonds are guaranteed both as to principal and interest by the actual endorsement on each bond of Mr. Justus S. Stearns, President of the Stearns Coal & Lumber Company, who is in receipt of a large income and whose net worth in good realizable assets, entirely outside of his interest in this Company, is approximately \$2,500,000.

VALUATION OF SECURITY.

Based upon the expert reports of Mr. J. P. Brayton as to the timber, Mr. J. K. Seifert as to the coal and Messrs. Price, Waterhouse & Company as to the Company's accounts, we value the property securing these bonds as follows:

Land and Timber owned in fee.....	\$3,013,197.50
Coal owned in fee, and leased.....	3,000,000.00
Kentucky & Tennessee Railway.....	640,143.09
Coal Mines	218,500.16
Saw Mill and Equipment.....	387,401.59
Working Capital	250,000.00

Total valuation of assets.....	\$7,509,242.34
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EARNINGS.

Based upon our investigation of the Company's operations and upon the additions to its saw mill, coal mines and railway to be immediately provided from the proceeds of these bonds, we estimate the Company's average annual net earnings and sinking fund payments as follows:

Lumber Department	\$100,000.00
Coal Department	100,000.00
Kentucky & Tennessee Railway.....	35,000.00
Commissary, Rents, etc.....	40,000.00

Average annual net earnings applicable to payment of Bond Interest.....	\$275,000.00
Average annual Interest Charge on this entire issue of bonds	51,937.00
Sinking Fund from Lumber Operations	\$120,000.00
Sinking Fund from Coal Operations.	25,000.00

Average annual sinking fund applicable to payment of Bond Principal.....	145,000.00
Average annual serial payment on account of Bond Principal	125,000.00
Combined average annual net earnings and sinking fund	420,000.00
Combined average annual Principal and Interest requirements	176,937.50

These figures are based on an average annual output of 20,000,000 feet of lumber and 500,000 tons of coal. The cost of production and selling price in each instance are figured on a most conservative basis and the actual annual average results during the life of these bonds should materially exceed these figures.

SINKING FUND.

The mortgage securing these bonds provides that on or before the 15th day of each month, beginning with the month of August, 1910, there shall be deposited with the Trustee a sinking fund equivalent to five cents per ton on all coal mined and removed from the Company's property during the preceding calendar month, and also that a sinking fund on all timber cut and removed from the Company's property in accordance with the following schedule, shall be likewise deposited with the Trustee.

White Oak	\$ 8.00 per thousand feet
Red Oak	5.00 per thousand feet
Poplar	15.00 per thousand feet
Chestnut	2.00 per thousand feet
Yellow Pine	3.00 per thousand feet
White Pine	7.00 per thousand feet

Hemlock	3.00	per thousand feet
Hickory	5.00	per thousand feet
Beech	\$ 2.00	per thousand feet
Ash	10.00	per thousand feet
Timber not specified above.....	4.00	per thousand feet
Railroad Ties10	each
Telegraph Poles25	each
Hemlock Bark	1.00	per cord
Oak Bark	3.00	per cord
All Other Forest Products.....	1.00	per cord

On the basis of these figures, the removal of the Company's timber would produce over \$3,000,000, or twice the amount of the outstanding bonds, while the exhaustion of its coal properties would produce over \$15,000,000, or ten times the amount of the bonds.

DESCRIPTION OF SECURITY.

The security for these bonds consists of—

- (a) 67,981 acres of land owned in fee simple.
- (b) 18,000 acres of timber owned in fee simple.
- (c) 400,000,000 feet of White Pine, Hemlock and Hardwood Timber contained in (a) and (b).
- (d) 22,000 acres of coal rights, including 1,300 acres of surface.
- (e) 300,000,000 tons of coal, contained in (a) and (d).
- (f) Five (5) modern coal mines of a daily capacity of 2,000 tons.
- (g) Modern saw mill, planing mill, dry kilns and lumbering equipment of a daily capacity of 75,000 feet.
- (h) Town site of Stearns, comprising 509 acres, together with 143 houses, commissary, office buildings and other structures.
- (i) The Kentucky & Tennessee Railway and complete equipment.
- (j) Contracts, rights and other assets.

The main body of land, comprising 67,981 acres owned in fee simple, lies in practically a solid body in Wayne County, Kentucky, and in Pickett, Scott and Fentress Counties, Tennessee. The property is bounded on the east by the Big South Fork of the Cumberland River, and is all available to the main line of the Queen & Crescent Railway. This property, together with the adjoining 18,000 acres on which the Company owns the timber only, contains, according to the report of Mr. J. P. Brayton:

TIMBER.

White Oak	126,725,000	feet
Red Oak	34,750,000	feet
Poplar	45,550,000	feet
Chestnut	41,700,000	feet
Yellow Pine	21,800,000	feet
White Pine	56,225,000	feet
Hemlock	42,225,000	feet
Hickory	6,610,000	feet
Beech	15,795,000	feet
Ash	925,000	feet
Railroad Ties	277,625	
Telegraph Poles	80,380	
Hemlock Bark	19,790	cords
Oak Bark	18,600	cords
Other Forest Products	276,010	cords

The timber is of excellent quality, is easily available to the Company's mills, is practically immune from fire risk and will show a marked increase in value during the next ten years.

COAL.

This entire tract of land is underlaid with some 300,000,000 tons of steam coal of an excellent quality. The main vein averages from 48 to 50 inches in thickness, is remarkably regular in formation, with sandstone roof and floor and ideal working conditions.

A careful analysis made from samples taken from six different locations on the Company's property, shows the following average analysis:

	Commercial Analysis	Dry Analysis.
Moisture	1.616	None
Ash	9.893	10.050
Volatile Combustible Matter.	39.538	40.186
Fixed Carbon	48.953	49.764
Heat Units	13171.6	13389.5
Sulphur	3.248	3.298
Phosphorus	None	None

The commercial value of this coal for domestic and steam purposes is clearly shown by the number of heat units, which is unusually high.

OPERATION.

LUMBER.

The Company's lumbering equipment consists of a fine modern double cutting band and resaw mill located at Stearns, together with dry kilns, planing mill, power plant, machine shop, lumber sheds and everything necessary for the economic manufacture of lumber up to a capacity of 75,000 feet per day of 10 hours. With its own railroad connecting its mills with its main body of timber and with an exceedingly favorable freight rate to Cincinnati, the principal hardwood market, the company's location is a most favorable one for the profitable operation of a hardwood lumber business. The Company's earnings from this source will naturally vary according to the amount and character of the timber manufactured, but should not, in any event, be less than \$5.00 per thousand feet after making proper allowance for depreciation and maintenance of plant and logging outfit and after payment has been made to sinking fund on account of the stumpage cut and removed.

COAL.

The Company has now in actual operation five developed coal mines with a present capacity of 1,500 tons per day. The operation of this coal is of the simplest character, consisting entirely of drift mining and obviating the necessity for shafts, which are expensive to build and expensive to maintain. Additional equipment will be immediately added to these mines to bring the production up to at least 2,000 tons per day and this capacity will be steadily increased as the market for the Company's coal extends.

With this additional equipment and increased capacity, the cost of putting this coal on cars, according to the report of Mr. J. K. Seifert, should not exceed 80 cents per ton. The Company's entire production is now being promptly absorbed at prices netting the Company from \$1.10 to \$1.35 per ton f. o. b. cars at mine. The Queen & Crescent Railroad has established at its own cost expensive loading works at the town of Stearns for coaling its locomotives and this Railroad alone purchases from the Company over 200,000 tons of coal per annum at \$1.35 per ton run of mine. The Company also has a well established market for its product for domestic use along the entire line of the Queen & Crescent, including Chattanooga, Tennessee; Lexington, Kentucky, and as far north as Toledo, Ohio. One prominent coal and iron company is using this coal with

complete success for coking purposes and there is a growing demand for the Company's product both for steam, domestic and coking purposes as far south as Atlanta. Under intelligent management, there is no doubt that the Company will be able to realize a net profit of at least 20 cents per ton on its entire production.

KENTUCKY & TENNESSEE RAILWAY.

With the completion of the five-mile extension now being constructed, the Kentucky & Tennessee Railway will have a main line mileage of seventeen miles extending from a connection with the Queen & Crescent System at the town of Stearns, in a Westerly direction into the main body of the Company's timber and coal lands. The property is constructed and equipped in an unusually substantial manner, a large part of the roadbed being laid with 80-lb. steel. This Railway is a common carrier, doing a general freight and passenger business, receiving its share of all through rates, operating under a published tariff and reporting its operations to the Interstate Commerce Commission. The property serves a virgin territory of great natural wealth. It is built and equipped to handle heavy tonnage and it will be extended from time to time as the development of the Company's property and the demands of other shippers may warrant.

IN GENERAL.

The Company owns the entire town site of Stearns, comprising some 509 acres, together with 143 houses, besides boarding houses, office buildings and other structures. The Company's houses, which are rented to its employes, are of an unusually substantial and comfortable character and indicate the care exercised in housing and providing for employes in the most liberal manner. The Company's policy in this respect has resulted in an adequate supply of labor at fair wages.

The principal owners of this property are men of large means, who have been uniformly successful in their various enterprises. Their personal attention to the affairs of this Company is an assurance of energetic and conservative management.

Our recommendation of these bonds is based on a thorough investigation of the security. The Company's timber and lumbering operations have been examined by the well known timber expert, Mr. J. P. Brayton of Chicago. The Company's coal properties have been examined by Mr. J. K. Seifert, who is not only a technical coal expert, but a practical mine manager of many years' experience. The

Company's accounts have been audited by Messrs. Price, Waterhouse & Company, and, in addition, the whole enterprise has been checked up and investigated in detail by our own staff experts. Titles to the Company's property and all legal procedure in connection with the issuance of these bonds, have been approved by Mr. E. E. Barthell, of Nashville, Tennessee, Messrs. Bundy, Travis & Merri-
rick, of Grand Rapids, Michigan, and by our own attorneys.

We recommend these bonds as an unusually sound and desirable investment for the following reasons:

First: The timber security alone is conservatively valued at twice the amount of the bonds.

Second: The coal security alone at the nominal valuation of one cent per ton is equivalent to twice the outstanding bonds.

Third: The property constitutes one of the largest and most valuable coal and timber holdings in one ownership in the entire South.

Fourth: The serial payments on account of Principal will rapidly increase the already large margin of security.

Fifth: The Company's earnings and sinking fund deposits will show a large margin over both Principal and Interest requirements.

Sixth: The guarantee of Mr. Justice S. Stearns places an additional \$2,500,000 of good assets and an assured income of large proportions behind these bonds.

Seventh: The ownership of the Company is in strong and practical hands, assuring conservative and successful management.

The bonds will be ready for delivery on or before September 1st.

Price, Par and accrued interest.

Delivery will be made at any bank desired, express prepaid.

Telegraphic orders may be sent at our expense.

Applications will be filled in the order in which they are received.

PEABODY, HOUGHTELING & CO.,
105 S. La Salle Street, Chicago.

EXHIBIT NO. 9.

Cable address: "Homcoy," Chicago. Circular No. 349.

McCOY & COMPANY,

INVESTMENT BONDS,

105 South La Salle Street, Chicago.

\$400,000 B. & S. HEINEMANN TIMBER COMPANY
(Wausau and Heineman, Wis.)

FIRST MORTGAGE 6 PER CENT SERIAL GOLD BONDS.

Dated June 1, 1909. Maturing in series as below. Callable on December 1, 1910, or upon any subsequent interest date, at 102 and interest. Semi-annual interest payable at the Continental National Bank, Chicago. Coupon bonds with privilege of registration as to principal. Denominations, \$500 and \$1,000. Principal payable at the office of the Chicago Title and Trust Company, Chicago.

Chicago Title and Trust Company and Wm. C. Niblack, Esq., Chicago, Trustees.

CAPITALIZATION.

Capital stock\$250,000
 Bonds authorized and outstanding..... 400,000

These bonds are guaranteed, both as to principal and interest, by Mr. B. Heinemann, president of the National German-American Bank of Wausau, Wis., and by Mr. S. Heineman, president of the National Bank of Merrill, Wis.

MATURITIES.

\$40,000 due December 1, 1910	\$40,000 due December 1, 1915
40,000 due December 1, 1911	40,000 due December 1, 1916
40,000 due December 1, 1912	40,000 due December 1, 1917
40,000 due December 1, 1913	40,000 due December 1, 1918
40,000 due December 1, 1914	40,000 due December 1, 1919

Price, any maturity: Par and interest.

MORTGAGE.

This issue of bonds is secured by a first and closed mortgage to the Chicago Title and Trust Company and Mr. Wm. C. Niblack, trustees, upon 29,920 acres of virgin timber lands, located in Langlade, Marathon and Lincoln counties, Wisconsin, owned in fee and conservatively estimated to contain 207,458,000 feet of merchantable timber, besides 270,515 cords of cord wood; 44,950 cedar telegraph poles and 117,700 cedar posts. The mortgage is also a first lien upon the two complete saw mill plants of the company, one located at Lumberton, four miles from Antigo, Wis., on the Chicago & Northwestern Railroad, and the other at Heineman, Wis., on the Chicago, Milwaukee & St. Paul Railroad. It further provides that these plants shall be fully insured and the policies deposited with the trustees for the benefit of the bondholders during the life of any of the outstanding bonds.

AMOUNT AND VALUE OF TIMBER.

The property has been carefully and conservatively cruised by Mr. J. P. Brayton, of Chicago, a copy of whose report is on file in our office and may be seen at any time. Mr. Brayton summarizes his report and valuation of the property as follows:

J. P. Brayton, Timber Lands, 204 Dearborn Street, Chicago.
July 28, 1909.

Messrs. McCoy & Company,
181 La Salle Street,
Chicago, Illinois.

Gentlemen:

In handing you my detailed report and cruise of the B. & S. Heinemann Timber Company lands, I desire to state that I found practically all accessible to railroads and spurs thereon, entailing very short haulage. Both the Chicago, Milwaukee & St. Paul and the Chicago & Northwestern railroads have installed very adequate facilities for inexpensive logging of this timber. There is also a large proportion of the timber tributary to driving streams which run through the properties.

Nearly all of the timber examined is located on level and slightly rolling land, and the property is so grouped that logging operations are easily contracted at a nominal cost.

I summarize the value of the property as follows:

207,458,000 feet of good merchantable timber at	
\$4.00 per M.....	\$ 829,832
Two mill plants, with railroad facilities.....	150,000
30,000 acres of land in fee, at \$5.00 per acre.....	150,000
In addition to the above, there are 35,000 cords of	
hemlock bark on the property, which at the	
present market value is worth at least.....	70,000
80,595 cords of pulp wood at 50c per cord.....	40,297
45,000 cedar poles at 25c per piece.....	11,250
	<hr/>
	\$1,251,379

Besides, cedar posts and cord wood in large quantities.

In my opinion, the security is ample for a loan or bond issue of \$400,000.

Yours very truly,
(Signed) J. P. BRAYTON.

SINKING FUND.

The mortgage, under careful restrictions, requires a deposit in advance with the trustees of \$4 for each one thousand feet of timber to be cut, this deposit to be made on

the basis of the amount of timber found on each forty acres as certified to by Mr. J. P. Brayton in his report.

GUARANTEE.

The bonds are unconditionally guaranteed, both as to principal and interest, by endorsement on each bond by Mr. B. Heinemann and Mr. S. Heineman, jointly and severally. Their net personal worth, exclusive of any equity in the property under this mortgage, is more than twice the amount of the entire bond issue.

LEGALITY.

The titles to the lands covered by this mortgage have been carefully examined and certified to by our counsel, Mr. Horace S. Oakley, of Chicago, under whose legal direction the trust deed and bonds have been drawn. Mr. Oakley's opinion is on file in our office, and we shall be glad to furnish copies of same on request.

FIRE HAZARD.

One of the most frequent and popular arguments used by investors against the purchase of timber bonds is that of fire hazard, which is not unnatural, as it is popularly supposed by many that every year enormous amounts of valuable timber are consumed by forest fires. This belief, however, is not borne out by actual facts. A careful investigation made during the fall of 1908 by the "American Lumberman" proved conclusively that standing virgin timber is seldom damaged to any extent by forest fires, that the fires so currently reported in the public press during periods of drought occur almost solely in the undergrowth of cut-over lands and in slashings. In substantiation of the foregoing we quote the following extracts from the "American Lumberman" of September 19, 1908, as follows:

"It may be stated with confidence that the accounts of forest fires given in the daily press are greatly exaggerated from the timber owner's standpoint. Every one who has built a bonfire with the leaves he has raked from his lawn knows what a tremendous smudge a little fire will produce, but when several states are covered with smoke, as has been the case during the last week, the conclusion naturally is that so much smoke must be the result of considerable fire. * * * It should be remembered that fire seldom, if ever, destroys the timber through which it passes. * * * Fires thus far have been confined almost entirely to cut-over lands and brush lands. * * * Fire seldom invades extensively green timber of the sort which enters into the calculation of lumbermen. Green timber

does not burn readily, and under ordinary circumstances the fire will die out of itself when it reaches these points of resistance. * * * There have been a great many fires recently in Wisconsin and Michigan, but they have been entirely in underbrush, grass and old choppings."

In considering the fire risk on the B. & S. Heinemann Timber Co.'s property, it should be borne in mind in the first place that the timber is almost entirely composed of hardwood and therefore not susceptible to fire, and secondly that the tracts are interspersed with substantial farm holdings which would render it impossible for a devastating fire to damage any large portion of the timber.

TIMBER BONDS AS AN INVESTMENT.

Timber is one of the most valuable natural resources of this country. Its value has been largely underestimated, and in the past years considerable waste has taken place. Those who some years ago saw the increasing value of timber have amassed immense fortunes by purchasing timber lands and holding them until the present time. There is probably no commodity which has shown such a substantial and steady increase in value as has virgin timber. Our experience, covering a number of years and based upon investigations of many timber loans, convinces us that bonds secured upon carefully selected virgin timber, the property of well established and operating corporations, form a security which is rarely equalled for safety.

In addition to the actual physical security behind the present issue of over three times the amount of the bonds, Messrs. Heinemann, who personally guarantee payment of the bonds and interest, are lumbermen of many years' experience, and own and operate additional lumber companies, which have an excellent record of earnings covering a number of years.

We call special attention to the letters of Mr. B. Heinemann and Mr. S. Heineman, President and Secretary, respectively, of the B. & S. Heinemann Timber Company, on the last page of this circular.

Wausau, Wis., July 24, 1909.

Messrs. McCoy & Company, 105 S. LaSalle Street, Chicago, Ill.

Gentlemen:—In accordance with your request that I give you some information regarding my connection with the timber and lumber industries, I would state that I have been connected with the timber and timber-land business for the past twenty odd years, and for the past four-

teen or fifteen years have been actively engaged in the manufacturing of lumber.

I am president of the B. Heinemann Lumber Company, whose mills are up-to-date, are equipped with modern machinery, electric lights and a steam heating plant which provides heat for the several buildings. The plant is located at Lumberton, Wis., four miles west of Antigo, on the Chicago & Northwestern Railroad, and this company has always manufactured its products in the most economical and advantageous manner. In addition to the lumber industry, they are also engaged in the manufacture and wholesaling of excelsior.

This company has at its plant a hotel, several houses for its employes, and also conducts a general merchandise business.

As to the lands, would say that both the Chicago & Northwestern and the Chicago, Milwaukee & St. Paul railroads run through the entire tract, making all easily accessible to the railroads and carrying with it economical logging operations. These lands are all located in a well settled country, thereby creating an easy market for the sale of the lands after the timber is removed.

As to the management of the B. Heinemann Lumber Company, will say that same is managed by my two sons, W. B. Heinemann, vice-president, and G. B. Heinemann, secretary and treasurer, they giving their entire personal attention to this company and reside at the mill. Mr. G. B. Heinemann is also vice-president of the B. & S. Heinemann Timber Company.

I am also president of the National German-American Bank of Wausau, Wis.; president of the B. Heinemann Lumber Company; president of the Cisco Lake Lumber Company, both of Wausau, Wis.; vice-president of the Wisconsin Box Company, Wausau, Wis.; vice-president of the Wausau Land Company, Wausau, Wis.; secretary and treasurer of the Land & Loan Company, Merrill, Wis.; director of the Great Northern Life Insurance Company, Wausau, Wis.; member of the Executive and Finance Committee; vice-president of the Langlade Realty Company, Wausau, Wis., and my other interests, exclusive of any equity which I have in the B. & S. Heinemann Timber Company, give me a net responsibility considerably in excess of the bonded indebtedness of the B. & S. Heinemann Timber Company.

Yours very truly,

(Signed) B. HEINEMANN,

President B. & S. Heinemann Timber Co.

Merrill, Wis., July 24, 1909.

Messrs. McCoy & Company, 105 S. LaSalle St., Chicago, Ill.

Gentlemen:—I am president of the Heineman Lumber Company, Heineman, Wis., which business was begun in November of 1902, as a co-partnership consisting of myself and H. H. Heineman, the latter having a working interest in the business and managing the same under my direction. The business was run as a co-partnership until the fall of 1908, when it was incorporated under its present title.

The properties of the original co-partnership included some 5,000 acres of land together with a small mill and store, hotel and a few dwellings, and since that time the holdings of the company have been increased many fold in its timber and land department and the mill plant has been remodeled and its capacity increased nearly three-fold. The policy of the co-partnership has been so far as practicable to retain its timber holdings, and to that end a large part of the production in the early years was obtained by purchases of logs from settlers and others.

Since the beginning of its business our company has been instrumental in opening the surrounding country, and the laying of some fifty miles of track through its lands has served the double purpose of making its timber holdings accessible and of settling and appreciating the value of its cut-over lands.

I have been actively identified in the lumber business and in the land business in various companies since 1886; and Mr. H. H. Heineman has been actively engaged in the lumber and land business for the past ten years, including all branches of lumber business from the logging to the sale of the product. I reside at Merrill, Wis., and Mr. H. H. Heineman at Heineman, Wis. Mr. H. H. Heineman is treasurer of the B. & S. Heinemann Timber Company.

The Village of Heineman consists of sixty dwellings for employees, store buildings, hotels and has an up-to-date band saw mill and planing mill. The entire plant is equipped with electric lighting, water works and steam heating supplied from the saw mill plant; and the plant and yard cover approximately 200 acres of ground.

In addition to the lumber business, conducted at Heineman, Wis., the Heinemann Lumber Company are wholesaling the product of several other northern mills.

Exclusive of any equity which I may have in the B. & S. Heinemann Timber Company my net responsibility

is considerably in excess of the amount of the entire issue of bonds of the B. & S. Heinemann Timber Company.

Yours very truly,

(Signed) SIG. HEINEMAN,

Secretary B. & S. Heinemann Timber Co.

Telegraphic orders may be sent at our expense.

Bonds will be shipped to any responsible bank, express prepaid, payable in Chicago or New York Exchange.

All statements herein are official or based on information which we regard as reliable, and while we do not guarantee them, they are the data upon which we have acted in the purchase of these securities. Bonds are offered subject to prior sale and advance in price.

McCOY & COMPANY,
105 So. LaSalle St.,
Chicago.

EXHIBIT NO. 10.

Charles M. Smith & Company, Bonds for Investment,
First National Bank Building, Chicago.

This issue of bonds is a legal investment for Michigan savings banks and trust funds.

We own and offer \$450,000 closed first mortgage six per cent. serial gold bonds issued by The Tennessee Timber Co., Prendergast, Tenn., guaranteed by The Prendergast Company, Marion, Ohio.

Dated January 1, 1911. Due serially as shown below. Interest coupons payable January and July 1st, at First National Bank of Detroit, or First National Bank of Chicago. Redeemable on any interest date after sixty days' notice at 102 and interest. Denominations, \$500 and \$1,000. Principal may be registered with the Trustee. Bonds mature as follows:

\$20,000	July	1, 1911	\$25,000	July	1, 1916
20,000	January	1, 1912	25,000	January	1, 1917
20,000	July	1, 1912	25,000	July	1, 1917
20,000	January	1, 1913	25,000	January	1, 1918
20,000	July	1, 1913	25,000	July	1, 1918
20,000	January	1, 1914	25,000	January	1, 1919
20,000	July	1, 1914	25,000	July	1, 1919
20,000	January	1, 1915	25,000	January	1, 1920
20,000	July	1, 1915	25,000	July	1, 1920
20,000	January	1, 1916	25,000	January	1, 1921

Price par and interest, yielding six per cent.

SECURITY.

The mortgage to the Security Trust Company, of

Detroit, Michigan, trustee, is a first lien on about 49,000 acres of virgin timber lands, owned in fee simple, containing 267,540,280 feet of standing merchantable timber, consisting of poplar, white and yellow pine, white and red oak, etc., lying in a solid body in Polk County, Tennessee. The mortgage also covers a modern double band saw mill with a capacity of 25,000,000 feet per annum, planing mill, dry kilns, etc., 16½ miles of completely equipped standard gauge logging railroad, store building and employees' houses, located at Prendergast, Tennessee.

A conservative appraisalment of the timber mortgaged, found in detail on the following page, shows it worth \$1,456,000,—over three times the amount of the bonds. The Prendergast Company, of Marion, Ohio, unconditionally guarantees the payment of bonds, both principal and interest. It is a corporation with the highest credit and has been profitably engaged in the lumber business for over 16 years. Marwick, Mitchell & Co., chartered accountants, report the combined assets of the companies issuing and guaranteeing the bonds at about \$2,500,000,—over five times the amount of the bonds, and the net profits for the last five years at \$440,900.70.

RAILWAY, ESTIMATES AND APPRAISALS.

The company's plant at Prendergast, Tennessee, is located on the main line of the Louisville & Nashville Railway, affording excellent shipping facilities.

Lemieux Brothers & Company, the well known public estimators, of New Orleans, Louisiana, estimate the quantity of standing merchantable timber at 267,540,280 feet, log scale, the appraised value of which is as follows:

	Feet	At per 1,000	
Poplar	58,586,000	\$12.00	\$ 703,032.00
White pine	35,459,160	6.00	212,754.96
Yellow pine	14,514,150	3.50	50,799.53
White oak	12,101,755	6.00	72,610.53
Red oak	13,855,480	4.00	55,421.92
Basswood	10,477,550	5.00	52,387.75
Hemlock	56,465,060	3.00	169,395.18
Other hardwoods	66,081,125.....		140,126.15
			<hr/> \$1,456,528.02
Tannic acid wood.....			219,487 cords
Pulp wood			195,100 cords

FINANCIAL STATEMENT OF COMPANIES ISSUING AND GUARANTEEING BONDS.

November 30, 1910, before issuance of bonds.

ASSETS.

Cash in banks and on hand..\$	85,922.17
Accounts receivable	125,649.25
Lumber, logs, merchandise and other current and working assets	199,240.07
Quick assets	\$410,811.49
Stumpage, Polk County, Tenn.	\$1,456,000.00
Saw mill plant, railroad and logging equipment, etc., in Polk County, Tenn...	519,390.57
Real estate in Marion, Ohio, and saw mill plant and stumpage in W. Virginia.	65,300.14
Furniture and fixtures, Ma- rion, Ohio	1,500.00
Fixed assets	\$2,042,190.71
Total assets	\$2,453,002.20

LIABILITIES.

Accounts and bills payable.....	\$439,778.26
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PURPOSE OF BOND ISSUE.

The proceeds of the bonds will be used to pay balance on timber purchased (included in bills payable account), and retire floating indebtedness, leaving the bonds as practically the only debt.

HISTORY AND MANAGEMENT.

The Tennessee Timber Co. has taken over from The Prendergast Company its Polk County, Tennessee, timber lands and plant. Its capital stock is owned by The Prendergast Company, and the officers and directors of both companies are practically the same. The Prendergast Company was organized in 1907 and succeeded to the business of the Prendergast Lumber & Coal Company, of Marion, Ohio, which had been for over twelve years prior to this change in name, profitably engaged in the wholesale lumber and coal business at that place. The officers are:

J. F. Prendergast, President.

O. S. Rapp, Vice-President.

W. S. Probst, Secretary and Treasurer.

The directors are: G. W. King, J. A. Schroeter, F. A. Huber, W. E. Scofield, W. G. Harding, C. W. Leffler, J. F. Prendergast, O. S. Rapp and W. S. Probst. They are leading business men of Marion and officers and principal stockholders of such corporations as The Marion Steam Shovel Company, Huber Manufacturing Co., Marion Water Co., Marion County Telephone Co., Marion National Bank, Fahey Banking Co. and City National Bank.

SINKING FUND.

The trust deed provides that before any timber is cut the Company must pay to the Trustee as a sinking fund for the redemption of bonds, \$3.00 per thousand feet, according to the timber estimates on file with the Trustee. After removal of timber the land may be released by the Trustee on payment of \$3.50 per acre into the sinking fund.

The sinking fund is sufficient to retire all the bonds before sixty per cent of the timber mortgaged has been cut.

FIRE HAZARD.

Timber located in the southern states has never been destroyed by fire. Absence of undergrowth and height of trees render any serious fire damage impossible.

EXAMINATION.

Before purchasing this issue we made a thorough personal investigation of all of the conditions on which the security depends. All titles to the property have been carefully examined and approved by competent attorneys, under whose supervision the mortgage was drawn and the bonds issued.

Copies of trust deed, attorney's opinion, detailed timber estimates and other data pertinent to the issue may be seen at our office.

All statements herein are official or are based on information and data believed by us to be trustworthy and reliable, and while not guaranteed, have been accepted and acted upon by us in the purchase and appraisal of the bonds and the property securing the same.

Bonds are offered subject to prior sale.

Bonds will be delivered where desired, express prepaid, with exchange.

Telegrams may be sent at our expense.

Charles M. Smith & Company, Bankers, First National Bank Building, Chicago. Long distance telephone Randolph 1946.

EXHIBIT NO. 11.

We own and offer at par and interest \$500,000 first mortgage 6 per cent. serial gold bonds Parsons Pulp & Lumber Co. of Parsons, W. Va., and Philadelphia, Pa.

Principal and interest guaranteed by William Whitmer & Sons, Inc., of Philadelphia, Pa.

Girard Trust Company and Charles J. Rhoads, Esq., Philadelphia, Pa., trustees.

Dated November 1, 1909. Coupon bonds, \$1,000 and \$500 each. Principal may be registered. Bonds mature serially each six months. Principal and semi-annual interest (May and November) payable at Girard Trust Company, Philadelphia; or Central Trust Company, Chicago; or Bank of Scotland, London.

Bonds mature serially each six months from Nov. 1, 1911, to Nov. 1, 1924.

FINANCIAL STATEMENT.

Capital stock and surplus Parsons Pulp & Lumber Co.	\$3,610,039.45	
Estimated value of property covered by this bond issue.....	9,324,034.00	
Bonds authorized.....	\$3,800,000	
Escrow bonds (can be issued only under strict provisions of Trust Deed for purchase of additional timber lands and improvements) ..	\$500,000	
Bonds matured, paid and canceled 1910.....	195,000	695,000
		<u>\$3,105,000</u>
Reserved in treasury, Wm. Whitmer & Sons, Inc....	300,000	
Bonds outstanding, including amount now offered.....		\$2,805,000.00

We have had the books of the Parsons Pulp & Lumber Company and William Whitmer & Sons, Inc., examined by The Audit Company of New York. Copies of their report will be sent on request.

SEVEN YEARS' RECORD OF EARNINGS.

The net income of the Parsons Pulp & Lumber Company for the year 1910 is \$616,299.68, or over three and one-quarter times the maximum interest charge on this entire issue. The annual net earnings for the past seven years have averaged over \$400,000, or nearly four times the average interest charge of the entire issue. During the past year the indebtedness per thousand feet of timber has been reduced from \$1.73 to \$1.69, and the security correspondingly increased.

MORTGAGE SECURITY

The bonds are secured by first mortgage on nearly two billion feet of merchantable spruce, poplar and hardwood timber, 55 miles of railroad and modern equipment, three large saw mills and 50-ton pulp mill, and 100,400 acres of land. The market value of the above properties covered by the mortgage is conservatively estimated at \$9,324,034, or over three times the amount of this bond issue of \$3,105,000.

VALUE OF GUARANTEE.

These bonds have the unconditional guarantee of William Whitmer & Sons, Inc., of Philadelphia, which company has been in successful operation in the lumber business for about forty years, and is one of the largest and best known lumber companies in the East. This bond issue represents the entire indebtedness of the Parsons Pulp & Lumber Company and William Whitmer & Sons, Inc., excepting ordinary current accounts.

List of maturities offered given on last page.

MORTGAGE.

This bond issue is secured by a first mortgage to the Girard Trust Company and Charles J. Rhoads, Trustees, of Philadelphia, on 100,400 acres, owned in fee simple, and 63,000 acres timber deeds, a total of 163,400 acres of spruce, yellow poplar, hemlock, oak, chestnut and other hardwood timber, located in Pendleton, Pocahontas, Randolph, Tucker and Grant counties, West Virginia; Highland, Washington, Russell, Smyth and

Tazewell counties, Virginia, and Swain County, North Carolina.

The bonds are also secured by a first mortgage on three modern saw mill plants, pulp mills, 55 miles of railroad and equipment and logging equipment, located at Dobbins, Lanesville and Horton, West Virginia.

The Company's large pulp mill at Parsons, W. Va., is located near its three saw mills in that state, and is profitably manufacturing into sulphite pulp the refuse and limbs of trees which are wasted in the usual saw mill operation.

VALUE OF PROPERTY COVERED BY MORTGAGE.

A conservative appraisal of the value of the timber covered by this bond issue is \$3.50 per thousand feet, log, scale, or...	\$6,690,222
900,000 cords of spruce and hemlock pulp wood tan bark and acid wood conservatively estimated at	1,205,500
Total	\$7,895,722
Value of three saw mill plants, pulp and paper mill, railroads and logging equipment, also covered by this bond issue.....	1,428,312
A total value of all property.....	\$9,324,034
or over three times the amount of this bond issue of \$3,105,000. This appraisal does not include the value of the 100,400 acres of land, owned in fee simple, for mineral, grazing and agricultural purposes.	

TIMBER ESTIMATES.

The timber lands located in West Virginia have been estimated by Lemieux Bros. & Company, public estimators, of New Orleans, La.

The timber lands in Virginia were carefully estimated by Mr. R. P. Moore, and the timber lands in North Carolina by Mr. John C. Arbogast, who are expert estimators of timber in those sections. These estimates have been verified by the well-known and competent timber estimator, Mr. W. E. Straight, of Chicago.

According to the above estimates, this bond issue covers 1,911,492,000 feet, log scale, of merchantable standing timber, as follows:

TIMBER BONDS

Spruce	1,350,000,000
Hemlock	214,050,000
Oak	94,279,000
Chestnut	113,233,000
Yellow poplar, cherry, ash, birch and other hardwoods	139,930,000

Total1,911,492,000 ft. log scale

PURPOSE OF BOND ISSUE.

Of the authorized bond issue of \$3,800,000, \$195,000 bonds have been retired and \$500,000 are held in escrow by the Trustee and can be issued only in acquiring additional timber and further improving the property of the Company, under strict provision of the trust deed. The \$3,300,000 bonds originally outstanding were issued to refund the Company's then outstanding issue of \$1,550,000 bonds, to take up the outstanding indebtedness against the subsidiary companies taken over from William Whitmer & Sons, Inc., and to reimburse William Whitmer & Sons, Inc., for advances made on account of purchase price of properties, and leaves in the treasury of William Whitmer & Sons, Inc., \$300,000 of bonds.

In addition to the \$300,000 treasury bonds above referred to, the report of The Audit Company of New York shows that the Parsons Pulp & Lumber Company and William Whitmer & Sons, Inc., have on hand quick assets amounting to about \$1,000,000.

STATEMENT OF EARNINGS.

The earnings of the Parsons Pulp & Lumber Company for the year ending December 31, 1910, were as follows:

Gross revenue from sales, (after deducting allowances, returns, freight, etc.)	\$1,774,579.20
Operating expense (including repairs and supplies, insurance, taxes, etc.)	1,191,156.19
Net earnings from operations	\$ 583,423.01
Other income	32,876.67
Total net income	\$ 616,299.68
Bond interest and other charges	\$222,061.77
Sinking fund paid to Trustee for retirement of bonds ...	177,425.67
Surplus	\$ 216,812.24

GUARANTY.

The payment of the bonds and interest thereon is guaranteed unconditionally by a signed endorsement on each bond by William Whitmer & Sons, Inc., of Philadelphia, Pa. William Whitmer & Sons, Inc., owns the entire capital stock of the Parsons Pulp & Lumber Company, and the officers of the two companies are practically identical.

The Parsons Pulp & Lumber Company was organized for the purpose of consolidating into one company the different subsidiary companies of William Whitmer & Sons, Inc., as follows: The Rumbarger Lumber Company, of Dobbins, W. Va.; Dry Forks Lumber Company, of Lanesville, W. Va.; the Condon-Lane Boom & Lumber Company, of Horton, W. Va., and the Parsons Pulp & Paper Company, of Parsons, W. Va. These companies have been in successful operation for many years.

William Whitmer & Sons, Inc., the guarantors of these bonds, is one of the largest and oldest lumber manufacturers and dealers in the East. This business was established in Sunbury, Pa., about forty years ago and was moved to Philadelphia in 1890. They operated saw mills in Pennsylvania and for about twenty years have carried on large saw mill operations in West Virginia. In addition to the large holdings of timber lands owned by them by virtue of the ownership of the Parsons Pulp & Lumber Company, which are regarded among the most valuable in the states named, William Whitmer & Sons, Inc., own a large tract of timber land in Florida, valuable equities in timber lands in Louisiana, and own valuable water power rights in North Carolina. They also operate a large lumber yard in Philadelphia, and selling agencies in New York City, Pittsburg, Pa., Newark, N. J., and Philadelphia.

SINKING FUND.

Under the strict provisions of the trust deed, the Company is required to deposit with the Trustee, \$3.00 per thousand feet, log scale, for all timber cut, and 10 cents per cord of wood cut, as a sinking fund to retire the principal of this bond issue. This sinking fund will operate to retire all of the bonds before cutting off 60 per cent. of the timber covered by the mortgage. Should the deposit exceed the amount of bonds maturing in any year, the Trustee is required to purchase or call for redemption, at a premium of 1½ per cent., the unmaturing bonds to an amount sufficient to exhaust the surplus.

TITLE AND LEGALITY.

The titles to the lands covered by this mortgage have been carefully examined and certified by our counsel, Adams & Candee, of Chicago, and Milton C. Work, of Philadelphia, Pa., under whose legal direction the mortgage and bonds were prepared.

DATES OF PAYMENT.

The bonds are \$500 and \$1,000 each. Mature serially each six months from November 1, 1911, to November 1, 1924. Unsold bonds offered mature as follows:

MATURITIES.

\$20,000 Nov. 1, 1917	\$35,000 Nov. 1, 1921
30,000 May 1, 1918	45,500 May 1, 1922
30,000 Nov. 1, 1918	40,000 Nov. 1, 1922
40,000 May 1, 1919	45,500 May 1, 1923
35,000 Nov. 1, 1919	33,000 Nov. 1, 1923
35,500 May 1, 1920	45,000 May 1, 1924
20,500 Nov. 1, 1920	10,000 Nov. 1, 1924
35,000 May 1, 1921	

Price of bonds, all maturities, par and accrued interest, yielding six per cent.

The above statements are based on information and data believed by us to be trustworthy and reliable, and, while not guaranteed by us, have been accepted and acted upon by us in the purchase and appraisal of the bonds and the property securing the same.

A. B. Leach & Co., 140 Dearborn Street, Chicago; 149 Broadway, New York; 28 State Street, Boston; 4th and Chestnut, Philadelphia.

EXHIBIT NO. 12.

McCoy & Company, Investment Bonds, 105 South La-Salle Street, Chicago, Ill. Cable address, "Homcoy," Chicago. Circular No. 359.

\$150,000 (part of \$600,000 issue) Butterfield Lumber Company, Norfield, Miss., first mortgage six per cent serial gold bonds.

Dated July 1st, 1909. Maturing in series as below. Callable on July 1st, 1910, or on any interest date thereafter, at 102.50 and interest. Coupon bonds with privilege of registration as to principal. Denominations, \$500.00 and \$1,000.00. Principal and semi-annual interest (January and July 1st) payable at the office of the Chicago Title and Trust Company, Chicago.

Chicago Title & Trust Company and Wm. C. Niblack, Esq., Chicago, Trustees.

FINANCIAL STATEMENT.

Capital	\$ 225,000.00
Net surplus	2,287,261.57
Bonds authorized	600,000
Bonds held in reserve.....	300,000
Bonds outstanding	300,000.00

MATURITIES.

\$15,000 due July 1st, 1910	\$15,000 due July 1st, 1915
15,000 due July 1st, 1911	15,000 due July 1st, 1916
15,000 due July 1st, 1912	15,000 due July 1st, 1917
15,000 due July 1st, 1913	15,000 due July 1st, 1918
15,000 due July 1st, 1914	15,000 due July 1st, 1919
Price, any maturity, par and interest.	

MORTGAGE.

These bonds are part of an authorized issue of \$600,000, secured by a closed first mortgage to the Chicago Title & Trust Company, and Mr. Wm. C. Niblack, Trustees, upon, approximately, 39,000 acres of compact, well located, virgin, long leaf, yellow pine timber, situated in Lawrence, Marion and Pike Counties, Mississippi, and upon the saw mill, planing mill, dry kilns, etc., of the Company, located at Norfield, Mississippi. The deed of trust provides that none of the timber while under this mortgage can be turpintined.

EARNINGS.

The net earnings of the Butterfield Lumber Company for the past three years, as officially reported by the treasurer, have averaged \$140,226.88 per annum, or, over three and one-half times the average annual requirements for interest and principal on the outstanding bonds. In view of the general depression existing for the past two or three years in all branches of business, we regard these figures as exceptionally meritorious, and a strong endorsement of the excellent and capable management of the Company.

AMOUNT AND VALUE OF TIMBER.

A careful estimate of the timber made in detail by Messrs. J. D. Lacey & Co. and Lemieux Brothers & Co. shows that the lands under this mortgage contain over 405,000,000 feet, log scale, of standing, merchantable, long-leaf yellow pine timber, 10 inches and over in diameter. We appraise the value of this timber alone at \$1,620,000.00.

The balance sheet of the Butterfield Lumber Co. furnished us as of July 1, 1909, shows the following assets and liabilities as duly certified to by its treasurer:

RESOURCES.

465,000,000 ft. merchantable long-leaf yellow pine at \$4 per M.....	\$1,860,000.00
34 miles standard gauge railroad and equipment	282,148.18
Saw mill, dry kilns, machine shop, machinery and houses.....	234,443.01
12,000 acres cut-over land at \$5 per acre.	60,000.00
201.60 acres in town of Norfield.....	4,032.00
Cash, accounts and bills receivable.....	105,852.30
Logs in pond, manufactured lumber, lath, shingles, etc.	87,047.05
Interest, unexpired insurance, etc.....	2,328.64
	<hr/>
	\$2,635,851.18

LIABILITIES.

Bills payable	\$ 52,000.00
Open accounts not yet due.....	43,709.86
Uncollected freights, and accrued pay-roll.	27,879.75
Capital and surplus.....	2,512,261.57
	<hr/>
	\$2,635,851.18

From the above, it will be seen that these bonds are issued at the rate of less than \$1.50 per M. feet of long-leaf yellow pine, conservatively valued at \$4.00 per M. feet, and that the net capital and surplus of the Company are over four times the amount of the entire authorized issue of bonds.

SINKING FUND.

The mortgage under careful restrictions, requires a deposit in advance with the Trustees of three dollars (\$3.00) for each one thousand feet of timber to be cut, such deposit to be made on the basis of the amount of timber found on each forty (40) acre tract, as determined by the cruise, a copy of which is filed with the Trustees.

FIRE HAZARD.

Timber lands located in Mississippi and other Southern States have never been destroyed by fire, owing to the entire absence of undergrowth and the unusual height of the trees.

HISTORY OF THE COMPANY.

In 1884 Messrs. Norwood and Butterfield formed a partnership for the conduct of a lumber business, in 1887 the firm purchased a southern mill, incorporated under the style of Norwood & Butterfield and adopting their present title of Butterfield Lumber Company in July 1900. The operations of the Company have been uniformly successful throughout this long period, as is shown by the fact that the Company now owns over 465,000,000 feet (approximately 600,000,000 feet in addition to the timber under this mortgage) of excellent standing merchantable timber, a double band saw mill with a capacity of 32,000,000 feet per annum, planing mill, dry kilns, houses for employes, thirty-four miles of standard gauge railroad and complete logging equipment.

PURPOSE OF BOND ISSUE.

The proceeds of this issue of bonds will be devoted to the funding of the floating indebtedness of the corporation, amounting to only \$52,000, as of July 1, 1909; to providing additional working capital; to the making of such improvements and extensions to their plant as may be necessary from time to time, and to the purchase of additional timber holdings.

TITLE AND LEGALITY.

All matters pertaining to the legality of this issue, titles to the property, etc., have been favorably passed upon by Horace S. Oakley, Esq., Chicago, Illinois, and by Thomas Brady, Jr., Esq., of Brookhaven, Mississippi. Copies of the deed of trust, counsel's opinion and copy of our cruiser's detailed report, together with other pertinent data, are on file and may be seen at our office at any time.

In the past we have handled and examined a large number of timber properties, and we believe that we have seldom had the opportunity of recommending to our clients a more amply secured southern timber loan than in this present instance.

We recommend these bonds for investment for the following reasons:—

- (1) The excellent quality of security.
- (2) The very conservative basis of the loan.
- (3) The excellent reputation and the successful history of the makers.

(4) The unusually large net surplus of the Company.

(5) The serial feature which rapidly reduces the bonded indebtedness, and enhances the margin of safety.

(6) The strong sinking fund provisions.

(7) The excellent reputation which timber bonds of this character enjoy.

The above bonds are offered subject to prior sale and advance in price.

Telegraphic orders may be sent at our expense. Bonds will be shipped express prepaid, to any responsible bank, payable in Chicago or New York funds with exchange.

All statements herein are official or based on information which we regard as reliable, and while we do not guarantee them, they are the data upon which we have acted in the purchase of these securities.

McCOY & COMPANY,
105 South LaSalle St.,
CHICAGO.

EXHIBIT NO. 13.

Clark L. Poole & Co., Bankers, Commercial National Bank Bldg., Chicago.

SIX PER CENT. TIMBER LAND BONDS.

Secured by a first and closed mortgage on about 12,000 acres of redwood timber lands, owned in fee simple, located in Mendocino County, California, adjoining the Pacific Ocean, containing over five hundred million (500,000,000) feet, log scale, of standing merchantable timber.

We appraise the market value of the property covered by this bond issue at \$1,250,000, or two and one-half times the amount of this bond issue.

Redwood timber has never been destroyed by fire. There is no fire hazard in redwood timber.

We own and offer, subject to prior sale: \$500,000 first mortgage six per cent. serial gold bonds of the Mendocino Redwood Company, capital \$750,000, of San Francisco, California.

R. T. Buzard, president, San Francisco, California.

E. S. Collins, vice-president, Ostrander, Washington.

G. E. Tuman, secretary and treasurer, Fruitvale, California.

Dated July 1, 1910. Coupon bonds \$500 and \$1,000 each. Principal may be registered. Bonds mature:

\$50,000 July 1, 1915	\$25,000 July 1, 1920
25,000 January 1, 1916	25,000 January 1, 1921
25,000 July 1, 1916	25,000 July 1, 1921
25,000 January 1, 1917	25,000 January 1, 1922
25,000 July 1, 1917	25,000 July 1, 1922
25,000 January 1, 1918	25,000 January 1, 1923
25,000 July 1, 1918	25,000 July 1, 1923
25,000 January 1, 1919	25,000 January 1, 1924
25,000 July 1, 1919	25,000 July 1, 1924
25,000 January 1, 1920	

Principal and semi-annual interest (January 1st and July 1st) payable at Central Trust Company of Illinois, Trustee, Chicago.

The owners of the Mendocino Redwood Company are successful lumbermen and timbermen of Pennsylvania, California and Washington and part owners of several of the largest tracts of redwood, pine and fir timber lands on the Pacific Coast and elsewhere.

TIMBER.

This mortgage to the Central Trust Company of Illinois, as Trustee, is a first lien on 12,000 acres of well located virgin redwood timber lands in one solid body, owned in fee simple, located in Mendocino County, California. These lands are heavily timbered with a good quality of redwood (85%) and fir (15%) and lie along either side of the Usal River and branches. This tract controls a large amount of additional timber, the natural outlet for which is through this tract.

The holdings of the Mendocino Redwood Company are surrounded on the north and east by the properties of the Sage Land & Improvement Company, of Albany, New York, and on the south and east by the Cottoneva Lumber Company, formerly the New York & Pennsylvania Redwood Company, two of the strongest redwood timber companies on the coast. Both of these properties, and other holdings in that vicinity, are held at \$3.00 per thousand feet and higher.

The owners of the Mendocino Redwood Company, who are largely interested in the Cottoneva Lumber Company and other lumber companies owning timber lands in this section, organized the Mendocino Lumber Company for the purpose of purchasing and holding the tract of timber lands securing this bond issue, and it is their present intention not to manufacture any of this timber for at least five years. Interest and maturing bonds will be paid out of the profits from their other operations.

TIMBER ESTIMATES.

The estimates on this tract, made in detail by Mr. A. W. Elam, were checked and the properties purchased under the supervision of Mr. George E. Tuman, timber expert. During the past fifteen years Mr. Tuman has estimated and superintended the purchase of coast timber aggregating thirteen billion five hundred million feet, for the following large lumber companies:

Big Lagoon Lumber Company, owning four billion feet of redwood timber.

Cottoneva Lumber Company (formerly New York & Pennsylvania Redwood Company), owning about two billion feet of redwood timber.

Curtis, Collins & Holbrook Company, owning over two and one-half billion feet of sugar and white pine timber in California.

Rogue River Timber Company, owning over three billion feet of sugar and white pine and fir timber in Oregon.

And about twelve smaller companies owning at least one-half billion feet each.

We have also had these estimates checked by our own cruiser, Mr. W. E. Straight, who reports the estimates conservative, the timber of excellent quality, green and thrifty and the whole situation favorable from a logging and operating standpoint.

The detail estimates are on file with the Trustee, the Central Trust Company of Illinois, and in our office, and are summarized as follows:

Redwood	412,015,000 feet
Fir	89,335,000 feet

Total501,350,000 feet

after allowing 20 per cent. for breakage, but owing to the lay of the land the breakage will not amount to more than 10 per cent. Average per acre, about 42,000 feet.

The above estimates are based on log scale of uncut merchantable timber 24 inches and up. Our Mr. Straight reports that the average height of the trees is about 200 feet, but in estimating the timber only seven 16-foot logs were counted. The average diameter of the timber is 4½ feet inside of bark five feet above the ground and the logs will average about 450 board feet to the 16-foot log.

VALUE OF PROPERTIES.

We appraise the market value of this timber at \$2.50 per thousand feet, or \$1,253,375.00, or over two and one-half times the entire amount of this bond issue. Other

holdings of redwood timber surrounding this tract are held at \$3.00 per thousand feet and higher.

The commercial supply of redwood is practically limited to three counties in California, forming a small strip of territory close to the coast north of San Francisco. The entire stand is estimated at less than one hundred billion feet. It is the oldest type of forest growth found in the United States. Redwood timber is practically all in the hands of a few strong holding companies and ownership seldom changes hands.

OFFICERS.

R. T. Buzard, President, was for many years a successful lumberman in Pennsylvania, where he was a large stockholder and manager of the Salmon Creek Lumber Company and the Pennsylvania Lumber Company, known as the Collins properties, in the vicinity of Tionesta and Sheffield, Pennsylvania. Mr. Buzard is the principal stockholder in a southern lumber company operating in yellow pine timber at Lamison, Alabama. He is also a large stockholder in the Lagoon Lumber Company, which owns about four billion feet of redwood, and a large stockholder and general manager of the Cottoneva Lumber Company (formerly known as New York & Pennsylvania Redwood Company), which company owns about two billion feet of redwood timber and operates a saw mill.

E. S. Collins, Vice-President, was formerly a Pennsylvania lumberman and associated with his father, Mr. T. D. Collins, of Nebraska, Pa., one of the wealthiest and most successful lumbermen in Pennsylvania, who has for many years and is at the present time operating six saw mills in Western Pennsylvania. Mr. Collins is president and general manager of the Ostrander Railway & Timber Company, of Ostrander, Wash.; president and general manager of the Castle Rock Timber Company, of Castle Rock, Wash.; vice-president of and large stockholder in the Curtis, Collins & Holbrook Company, of California, owning two and one-half billion feet of sugar and white pine timber; vice-president and stockholder in the Pennsylvania Lumber Company and principal owner of a large retail lumber concern at Oakland, Cal. Mr. Collins is also a large owner of timber lands in Oregon and is one of the prominent lumbermen of the Northwest.

G. E. Tuman, Secretary and Treasurer, is director and stockholder in the Curtis, Collins & Holbrook Company; stockholder in the Wheeler Timber Company, Nelson Lumber Company, Cottoneva Lumber Company and the Big Lagoon Lumber Company, and is recognized as one of the

most experienced timber and lumber men on the Pacific Coast.

The owners of the Mendocino Redwood Company are successful lumbermen of Pennsylvania, California and Washington and part owners of several of the largest tracts of redwood, pine and fir timber lands on the Pacific Coast.

REDEMPTION FUND.

The mortgage, under careful restrictions, requires that the company must deposit with the Trustee \$2.00 per thousand feet, log scale, for all redwood and fir timber cut, based on the estimates on file in our office and with the Trustee. The company is required to make this deposit for each forty acres or more before cutting any timber on the same. The provisions of the mortgage covering this point are rigidly and carefully drawn. This deposit applies to the payment of the principal of the bonds only, and is on a basis of double the amount for which the timber is bonded and will operate to pay off the entire issue of bonds when less than one-half of the standing timber has been cut.

Should the amount deposited under this redemption fund exceed the amount of bonds maturing in any year, the Trustee is required to purchase or call for redemption, at a premium of 3 per cent. and accrued interest, bonds of an amount sufficient to exhaust the surplus. Through the operation of this redemption fund the bonded debt per thousand feet of timber is decreased until the last series of bonds are secured at the rate of only ten cents per thousand feet. In other words, the equity of this loan increases as the bonds are paid off, without taking into account any increase in the value of the timber lands.

BOND ISSUE.

Proceeds of this bond issue will be used to retire all the outstanding obligations of the company, and will leave it entirely free from any indebtedness outside of this bond issue.

TIMBER VALUES.

It is now a matter of common knowledge that standing timber is becoming more scarce and higher in market price. This increase in values has been especially marked within the last four years, owing to the rapid depletion of the forests to supply the constantly increasing demand for lumber. The following is taken from statistics of the Forest Service, United States Department of Agriculture:

"The consumption of lumber per capita is greater than ever before, and the timber of this country is being con-

sumed three to four times as fast as its natural increase. The increase in population from 1880 to 1900 was 52 per cent, but the increase in lumber consumption was 94 per cent. During the period from 1899 to 1906 the increase in production of redwood lumber (which is the principal timber standing on these lands) was over 83 per cent and the increase in the value of redwood was 64 per cent. During the same period the increase in production of fir timber was 186 per cent and the increase in value was 63 per cent."

With an increasing demand for lumber products and a decreasing supply of the raw material—standing timber—it is evident that the values of timber lands will continue to increase. There is today no commodity more stable in price than standing timber, and consequently no security upon which money can be loaned with greater safety.

FIRE HAZARD.

It is a well known fact that a redwood forest has never been destroyed by fire. There is no fire hazard whatever in redwood timber. This statement will be verified by lumbermen and other persons familiar with this timber. The matter of fire hazard is not taken into consideration by lumbermen and others who own or are considering the purchase of redwood timber. This is one of the most important facts in connection with this security

TITLES AND MORTGAGE.

The titles to the land and timber covered by this mortgage have been carefully examined and certified by our counsel, Adams & Candee, of Chicago, under whose legal direction the mortgage and bonds were prepared.

The bonds are issued in denominations of \$500 and \$1,000 each and are due and payable serially from five to nine years (see first page). All or any of the bonds may be paid at any interest period prior to maturity on sixty days' notice, at a premium of 3 per cent and accrued interest.

Prices of bonds for long or short time, par and accrued interest, yielding six per cent.

The above statements are based on information and data believed by us to be trustworthy and reliable, and while not guaranteed by us, have been accepted and acted upon by us in the purchase and appraisal of the bonds and the property securing the same.

CLARK L. POOLE & CO.,

Bankers,

Commercial National Bank Bldg., Chicago, Ill.

EXHIBIT NO. 14.

Charles M. Smith & Company, Bonds for Investment, First National Bank Building, Chicago.

This issue of bonds is a legal investment for Michigan Savings Banks and Trust Funds.

We own and offer \$238,000 (total issue \$275,000) closed First Mortgage 6 per cent. Serial Gold Bonds of the Conasauga Lumber Company, Conasauga, Tenn.

Dated June 1, 1910. Due serially as shown below. Interest coupons payable June and December 1st, at First National Bank of Detroit or First National Bank of Chicago. Redeemable on any interest date after sixty days' notice at 102½ and interest. Denominations, \$500 and \$1,000. Principal may be registered with the Trustee. Bonds mature as follows:

\$ 1,000	December 1, 1911	\$15,000	December 1, 1915
14,000	June 1, 1912	15,000	June 1, 1916
12,000	December 1, 1912	15,000	December 1, 1916
15,000	June 1, 1913	15,000	June 1, 1917
15,000	December 1, 1913	15,000	December 1, 1917
15,000	June 1, 1914	15,000	June 1, 1918
13,500	December 1, 1914	15,000	December 1, 1918
15,000	June 1, 1915	15,000	June 1, 1919

\$17,500 December 1, 1919

Price, par and interest, yielding 6 per cent.

SECURITY.

The mortgage to the Security Trust Company, of Detroit, Mich., Trustee, is a first lien on about 33,000 acres of virgin timber lands, containing 168,400,000 feet of standing merchantable timber, consisting principally of white and yellow pine, poplar, and white and red oak, lying in a solid body in Polk County, Tennessee. The mortgage also covers a modern band and gang saw mill, with a capacity of 20,000,000 feet per annum, planing mill, dry kilns, etc., 10½ miles of completely equipped standard gauge logging railroad, store building and employees' houses, located at Conasauga, Tenn.

The timber mortgaged is conservatively appraised at \$822,517.50, or about three times the amount of this bond issue.

RAILWAY, ESTIMATES AND APPRAISAL.

The company's plant at Conasauga, Tenn., is located on the main line of the Louisville & Nashville Railway, affording excellent shipping facilities.

J. P. Brayton, the well known public estimator, of Chicago, estimates the quantity of merchantable standing

timber at 168,400,000 feet, log scale, the appraised value of which is as follows:

	Feet.	Per 1000.	
Yellow Pine	71,275,000	\$3.50	\$249,462.50
White Pine	30,425,000	6.00	182,550.00
Poplar	13,705,000	12.00	164,460.00
White Oak	11,660,000	6.00	69,960.00
Red Oak.....	14,885,000	4.00	59,540.00
Other Hardwoods	26,450,000		77,160.00
Oak and Hemlock Bark, 6,635 cords.....			6,635.00
Oak R. R. Ties, 127,500 pieces.....			12,750.00
			<u>\$822,517.50</u>

FINANCIAL STATEMENT. (Before issuance of bonds.)

ASSETS.

Quick assets—cash, bills and accounts receivable, manufactured lumber and merchandise.....	\$120,564.12
Standing timber	800,000.00
Real estate (store, office and dwellings)	23,427.79
Logging railroad and logging equipment..	\$117,239.78
Saw and planing mill.	<u>62,879.89</u>
	180,119.67
	<u>\$1,124,111.58</u>

LIABILITIES.

Accounts payable.....	\$26,951.88
Bills payable	<u>197,999.76</u>
	\$224,951.64
Capital stock	275,600.00
Surplus	<u>623,559.94</u>
	\$1,124,111.58

The above statement does not include any valuation on about 33,000 acres of land owned in fee simple.

PURPOSE OF BOND ISSUE.

The proceeds of the bonds will be used to pay balance on timber purchase (included in bills payable account), retire floating indebtedness and provide additional working capital, leaving the bonds as the only debt of the company.

HISTORY AND MANAGEMENT.

The Conasauga Lumber Company was organized in 1907 by well known and successful lumbermen of Nashville, Tenn. These men, now members of its Board of Directors, are:

C. B. Benedict, Conasauga, Tenn., President and General Manager of Conasauga Lumber Company.

M. F. Greene, Nashville, Tenn., Vice-President of Conasauga Lumber Company, and Secretary and Treasurer of The Davidson, Hicks & Greene Company, Lumber Merchants, Nashville, Tenn.

John Byrns, Cincinnati, O., Secretary and Treasurer of Conasauga Lumber Company.

Walter Keith, Nashville, Tenn., Vice-President of Fourth National Bank of Nashville, and owner of a large interest in Keith, Simmons & Co., Nashville, Tenn., dealers in Hardware and Mill Supplies.

John W. Love, Nashville, Tenn., of Love, Boyd & Co., Lumber Merchants.

Arthur B. Ransom, Nashville, Tenn., President of John B. Ransom & Company, Lumber Merchants, and of Nashville Hardwood Flooring Company, manufacturers of flooring.

C. H. Benedict, Nashville, Tenn., retired capitalist.

Since its organization the company has been continuously and profitably engaged in the manufacture of lumber.

SINKING FUND.

The trust deed provides that before any timber is cut the company must pay to the Trustee as a sinking fund for the redemption of bonds, \$3.00 per thousand feet, according to the timber estimates on file with the Trustee. After removal of timber the land may be released by the Trustee on payment of \$3.50 per acre into the sinking fund.

The sinking fund is sufficient to retire all the bonds before sixty per cent of the timber mortgaged has been cut.

FIRE HAZARD.

Timber located in the southern states has never been destroyed by fire. Absence of undergrowth and height of trees renders any serious fire damage impossible.

EXAMINATION.

Before purchasing this issue we made a thorough personal investigation of all of the conditions on which the security depends. All titles to the property have been carefully examined and approved by competent attorneys, under whose supervision the mortgage was drawn and the bonds issued.

Copies of trust deed, attorney's opinion, detailed timber estimates, and other data pertinent to the issue may be seen at our office.

All statements herein are official or are based on information and data believed by us to be trustworthy and

reliable, and while not guaranteed, have been accepted and acted upon by us in the purchase and appraisal of the bonds and the property securing the same.

Bonds are offered subject to prior sale.

Bonds will be delivered where desired, express prepaid, with exchange.

Telegrams may be sent at our expense.

CHARLES M. SMITH & COMPANY,
Bankers
First National Bank Bldg., Chicago, Ill.

EXHIBIT NO. 15.

Lyon, Gary & Company, 204 Dearborn St., Chicago, Ill.

\$40,000 Fischer Lumber Co. 6 per cent First Mortgage
Serial Gold Bonds.

Dated January 2, 1911, maturing semi-annually July 1, 1912,
to January 1, 1916. Redeemable at 103 and interest, in
whole or in part on any interest day, on 90 days' notice.
Principal and interest payable in Chicago or Portland,
Ore., on July 1st and January 1st.

Coupon Bonds at \$1,000 each; may be registered as to
principal. Union Trust Company of Chicago and John
K. Lyon, Trustees.

MATURITIES.

\$5,000 July 1, 1912	\$5,000 July 1, 1914
5,000 Jan. 1, 1913	5,000 Jan. 1, 1915
5,000 July 1, 1913	5,000 July 1, 1915
5,000 Jan. 1, 1914	5,000 Jan. 1, 1916

Principal and interest guaranteed by endorsement of Fred
Fischer, Sr., Henry Fischer, Fred Fischer, Jr., Walter
Fischer and Carl E. Fischer; all being stockholders and
directors of the company.

The security for the bonds may be summarized at fol-
lows:

1. First Mortgage lien on 1140 acres of land owned in
fee, situated in the Counties of Linn and Lane, in the State
of Oregon, upon which there are approximately 72,000,000
feet of standing and living yellow fir timber.

2. The timber may be conservatively valued at \$1.25
per thousand feet or a total valuation of approximately
\$90,000.

3. There is also conveyed by the mortgage as further
security to the loan, a saw and planing mill plant and log-
ging equipment, which may be conservatively valued at
\$30,000.

4. The loan is at the rate of 55 cents per thousand feet on the timber.

5. Under the trust deed the company is required to pay to the Trustee \$1.50 per thousand feet for timber desired to be cut; from this provision it will be seen that the whole loan will be paid before practically one-third of the timber pledged is cut.

6. Frequent inspection of the property is provided for at the expense of the borrower.

7. Should the timber be damaged by fire or the other elements, the company must within sixty days after such loss has been determined pay to the Trustee 75 cents per thousand feet for the timber so damaged, and an additional 75 cents when the timber is removed.

8. The hazard of fire is minimized by the property being located in what is called the "fog-belt" just west of the Cascade Mountains.

9. The valuations, titles and legal matters have been passed on by competent parties; the timber and its value by our own cruisers and the titles and legal matters by W. W. Gurley of Chicago and E. E. Barthell of Nashville, Tenn.

10. The whole property lies within a few hours' journey of Portland, Ore.

All statements made in this circular are based upon information which we regard as reliable and upon which we acted in the purchase and valuation of the securities offered; such offerings being made subject to prior sale.

Price on application.

LYON, GARY & COMPANY,
Lumbermen and Bankers,
204 Dearborn St., Chicago, Ill.

EXHIBIT NO. 16.

Circular No. 677—September, 1909.

Peabody, Houghteling & Co., 105 S. LaSalle St., Chicago.

(Established 1865.)

Cable address, "Hought," Chicago. Codes used, Lieber and A, B, C, 5th Edition.

\$200,000 First Mortgage 6 per cent Serial Gold Bonds of the Craig Mountain Lumber Company.

Dated August 2, 1909. Payable in series as below. Coupon Bonds of \$500 and \$1,000 denominations with privilege of registration as to principal. Principal and semi-annual interest payable at the office of Peabody, Houghteling & Co., Chicago, Ill. First Trust & Savings Bank, Chicago, and Augustus S. Peabody, Trustees.

MATURITIES.

\$25,000	1	year, August	1, 1910
25,000	1½	years, February	1, 1911
25,000	2	years, August	1, 1911.
25,000	2½	years, February	1, 1912
25,000	3	years, August	1, 1912
25,000	3½	years, February	1, 1913
25,000	4	years, August	1, 1913
25,000	4½	years, February	1, 1914
25,000	5	years, August	1, 1914
25,000	5½	years, February	1, 1915
25,000	6	years, August	1, 1915
25,000	6½	years, February	1, 1916

The above schedule of maturities comprises \$300,000, which is the total issue of bonds authorized by the mortgage. \$100,000, however, will not be issued until the company has acquired and placed under the mortgage sufficient additional lands to bring its total acreage up to a minimum of 9,500 and its total stumpage to at least 175,000,000 feet. These additional lands and timber will be acquired in the immediate future and are subject to the approval of Peabody, Houteling & Co. When the entire \$300,000 of bonds has been issued, the valuation of the company's assets will be in excess of \$1,000,000.

VALUATION.

These bonds, which are issued for the purpose of completing the company's mills and railroad, are secured by an absolute First Mortgage on 5900 acres of land and 138,000,000 feet of merchantable timber located in Nez Perce County, Idaho, together with saw mill, planing mill, railroad, rolling stock, and logging equipment.

Based on an examination of the company's timber, made on our behalf by the well-known expert, Mr. J. P. Brayton, and on the estimated cost of the company's mills and railroad, we value the security behind these bonds as follows:

Land and timber.....	\$597,650
Plant, logging equipment and railroad.....	212,000

Total fixed assets.....	\$809,650
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SINKING FUND.

Under the terms of the Mortgage, the company agrees to pay in to the Old National Bank in Spokane on or before the fifteenth day of every month, beginning the second month after the commencement of operations, subject to the Trustee's order, a sinking fund of \$3.50 per thousand

feet on all timber cut from the company's lands during the preceding calendar month, or months. Any surplus left in the Sinking Fund at the end of any year, at the company's option, may be—

1. Left in the Sinking Fund at interest;
2. Used to retire the bonds in the reverse of their numerical order at 102½ and interest.
3. Used for the purchase of additional timber lands, clear of encumbrance, which will become additional security for the bonds.

In the last event, however, the investment of the surplus sinking fund is strictly subject to the written approval of Peabody, Houghteling & Company.

This Sinking Fund is sufficient to pay off the entire principal of these bonds from the exhaustion of less than one-half of the timber security.

SECURITY.

The security behind these bonds consists of timber lands in Nez Perce County, Idaho, about twenty miles in a direct line southeast of the city of Lewiston. These lands comprise—

5,900 acres of land and timber owned in fee simple,
1,042 acres of timber owned in fee simple,

Total, 6,942 acres

These lands contain, according to the estimate of Mr. J. P. Brayton—

132,405,000 feet of pine,
3,626,000 feet of fir,
2,320,000 feet of tamarack,

Total, 148,350,000 feet of merchantable timber.

These timber lands are, for the most part, level and the timber runs large and smooth and practically free from unsound trees. Most of the lands are suitable for farming purposes; the soil is fertile, and the lands will be in good demand at from \$15.00 to \$20.00 an acre after the timber has been removed.

These bonds are also secured by the company's mills and railroad, which will be completed and in operation within six months.

The mills, which will consist of saw mill, planing mill, dry kiln, lumber sheds, etc., with an annual capacity of 20,000,000 feet, will be of the most up-to-date character in arrangement, construction and equipment, and will enable the company to produce lumber at a low rate. The railroad will be about six miles long, of standard gauge and

construction, fully equipped to handle the company's business, and will connect with the Northern Pacific Railroad.

OPERATION.

Because of the close proximity of the timber to its mill, the ideal character of the land for economic logging, the first-class equipment at its disposal, and the unusually large percentage of high grade lumber, the company's operations should be exceedingly profitable.

In his report of August 5th, Mr. J. P. Brayton estimates the cost of manufacturing from the stump to the car at \$8.50 per thousand feet. He considers \$19.00 per thousand feet f. o. b. cars at the mill a safe average selling price. On this basis, the stumpage of 175,000,000 feet behind the total bond issue of \$300,000 will produce the following results:

175,000,000 feet at average selling price of \$19.00	
f. o. b. cars.....	\$3,325,000
Cost of manufacturing and loading on cars at \$8.50	
per thousand feet.....	<u>1,487,500</u>

Net amount available for the protection of principal and interest of these bonds.....1,837,500

Total amount of principal and interest of these bonds 367,500

On this basis the stumpage will produce over five times the amount necessary to protect both principal and interest of the entire issue.

MANAGEMENT AND OWNERSHIP.

The stockholders of the Craig Mountain Lumber Company are men of substantial means and large experience, and the management of the company's affairs is in conservative and thoroughly practical hands.

The stockholders have an actual cash investment of \$300,000 behind these bonds.

We have investigated these properties thoroughly. The timber lands have been examined and reported on in detail by Mr. J. P. Brayton, one of the most experienced and best known timber experts in the country. The company's books have been audited by the Investors Audit Company, and titles to the company's property and all legal matters pertaining to this issue have been approved by F. M. Goodwin, Esq., of Spokane, Wash.

We recommend these bonds as a safe investment for the following reasons:

First: The value of the security is over three times the amount of the issue.

Second: The stockholders have an actual cash investment of over \$300,000 behind the bonds.

Third: The timber behind these bonds is of unusually fine quality and it is absolutely exempt from fire-risk.

Fourth: The stockholders of the company are financially strong and well able to protect their investment, and the management is experienced, successful and thoroughly practical.

The bonds will be ready for delivery about August 25th and will be delivered at any bank desired, express prepaid.

Price, par and accrued interest.

Telegraphic orders may be sent at our expense.

PEABODY, HOUGHTELING & CO.,

105 S. LaSalle Street,

Chicago.

EXHIBIT NO. 17.

Allerton, Greene & King, Bonds, The Rookery, Chicago.

We own and offer \$125,000 The Hardwood Manufacturing Company, Louisville, Ky., First Mortgage 6 per cent. Gold Bonds.

Dated March 1, 1911. Due serially in semi-annual innstallments. Redeemable on any interest date at 102½ and interest. Denominations, \$1000 and \$500. Principal and semi-annual interest payable at the Union Trust Company, Trustee, Detroit, Mich.

MATURITIES.

\$5,000 March 1, 1912	\$7,500 Sept. 1, 1916
7,500 Sept. 1, 1912	7,500 March 1, 1917
7,500 March 1, 1913	7,500 Sept. 1, 1917
7,500 Sept. 1, 1913	7,500 March 1, 1918
7,500 March 1, 1914	7,500 Sept. 1, 1918
7,500 Sept. 1, 1914	7,500 March 1, 1919
7,500 March 1, 1915	7,500 Sept. 1, 1919
7,500 Sept. 1, 1915	7,500 March 1, 1920
7,500 March 1, 1916	

We recommend these bonds as a safe and conservative investment for the following reasons:

1. All of the lands including 20,000 acres of virgin hardwood timber, also, mill site property, is owned in fee simple by the company.

2. The bond issue is secured by a closed, absolute first mortgage.

3. The bond issue is only about one-fifth of the value of the property mortgaged.

4. The Sinking Fund will retire the entire bond issue before one-half of the timber is cut.

5. The assets of the company, exclusive of the timber lands, is about on and one-half times the amount of the bond issue.

6. The owners and managers of the company are experienced and successful lumber men.

7. The interest return is attractive.

Price, 100 and interest, yielding 6 per cent.

ORGANIZATION.

The Hardwood Manufacturing Company was organized under the laws of Kentucky, having its principal office in the City of Louisville, Ky., in 1909. The stockholders and directors are experienced and successful business men. Mr. A. L. Musselman, President of the Company, has been identified with the lumber business for the past twenty-five years and is regarded as one of the best posted men on hard woods in the South.

Mr. Henry Koehler, Vice-President of the Company, owns and operates the largest retail lumber business in the City of Louisville, Ky. These men are in control of the Company's management, giving it their personal attention and the benefit of their practical experience.

SECURITY.

These bonds are secured by a closed, absolute first mortgage on all of the property of the Company now owned or hereafter acquired, consisting of about 20,000 acres of uncut hardwood timber lands owned in fee simple by the Company. This tract contains over 100,000,000 feet of standing merchantable timber, consisting principally of White Oak, Red Oak, Gum, Cypress, Hickory, Cherry and Pine. Also its mills, logging machinery, barges, tugs, launches, etc.

The Company's plant consists of a band sawmill, having a capacity of 50,000 feet per day.

PURPOSE OF BOND ISSUE.

The proceeds of this issue will liquidate all other indebtedness of the Company and will provide funds for additions and improvements and leave ample funds for working capital.

VALUATION OF PROPERTY.

The above lands have been carefully cruised by Mr. J. P. Brayton, of Chicago, the well known timber expert. Mr. Brayton estimates the stand of merchantable timber at over

100,000,000 feet and the value, exclusive of plant and equipment, at \$420,000.

In addition to the timber above described, the bonds are further secured by closed, first mortgage on real estate, plants and equipment located in the City of Monroe, La., all of which is owned in fee by The Hardwood Manufacturing Company. The value of these assets, exclusive of the timber lands, is estimated at \$175,000.

The total net assets of the Company, upon which these bonds are an absolute first mortgage, are about \$600,000, a sum equal to nearly FIVE TIMES THE AMOUNT OF THE BOND ISSUE. This sum does not include any valuation on the land, which is worth at least five dollars per acre, or about \$100,000 in addition to the above.

SINKING FUND.

The Trust Deed provides that the Company will, on the first days of March, June, September and December, file with the Union Trust Company, Trustee, a sworn statement of all merchantable timber cut upon the lands during the three calendar months preceding the filing of such statement, and will within fifteen days after filing of such statement, pay into the Trustee, in cash, the sum of \$3.00 for each 1,000 feet of Oak timber and the sum of \$2.00 for each 1,000 feet of other timber so cut.

Should the Sinking Fund exceed the amount of bonds maturing in any year, the Trustee is required to call for redemption, at 102½ and accrued interest, unmatured bonds to the amount sufficient to exhaust the surplus. The Sinking Fund will be sufficient to retire all of the bonds before one-half the timber has been cut.

LOCATION AND OPERATION.

This tract of 20,000 acres of virgin hardwood timber land is situated along the Bayou D'Arbonne, which flows into the Ouachita River a few miles above the City of Monroe, La. The timber lies on each side of this navigable stream, within an average distance of three-quarters of a mile. The logging operation is a simple one and requires no expensive railroad tracks and equipment. The logs are taken from the property by means of a skidder and are then hauled to the sawmill, located in the City of Monroe, an average distance of about fifteen miles. The timber is cut into lumber and placed upon railroad cars for shipment. The Company has access to the St. Louis & Iron Mountain R. R., Vicksburg, Shreveport & Pacific R. R. and Arkansas, Louisiana & Gulf R. R.

LEGALITY.

The mortgage has been drawn and the titles to the timber covered by this mortgage have been passed upon by Hon. Charles B. Wood of Chicago. Adequate insurance covering the mill and equipment is pledged under the mortgage.

FINANCIAL STATEMENT.

Financial condition of the Company after the proceeds of bonds are included, is as follows:

ASSETS.

Standing Timber (20,000 acres owned in fee)....	\$420,000
Sawmill Plant, Equipment, etc.....	175,000
	<hr/>
	\$595,000

LIABILITIES.

Capital Stock (fully paid).....	\$172,000
First Mortgage Bonds (this issue).....	125,000
Surplus	298,000
	<hr/>
	\$595,000

We offer only such bonds as we consider suitable for the investment of our own funds. All statements in this circular are our own opinion or are based on information which we regard as reliable. Bonds will be delivered to any responsible bank, charges prepaid. Telegrams may be sent at our expense.

ALLERTON, GREENE & KING,
Chicago.

EXHIBIT NO. 18.

CHARLES M. SMITH & COMPANY,
Bonds for Investment,
First National Bank Building.
Chicago.

This issue of bonds is secured by standing timber, a natural product being consumed more rapidly than it is being replaced—a security constantly increasing in value. The arrangement whereby a portion of the bonds is paid every six months, beginning October 1, 1911, increases the security back of the outstanding and later maturing bonds.

We own and offer: \$150,000 First Mortgage 6 Per Cent Serial Gold Bonds of the

WYATT LUMBER COMPANY, LIMITED,
Wyatt, Louisiana.

Due serially as shown below. Interest coupons payable

April and October 1st, at Central Trust Company of Illinois, Trustee, Chicago. Redeemable on any interest date after sixty days' notice at 102 and interest. Denominations, \$500 and \$1,000. Principal may be registered with the Trustee. Bonds mature as follows:

\$15,000	October 1, 1911	\$12,000	April 1, 1915
7,500	April 1, 1912	12,000	October 1, 1915
7,500	October 1, 1912	12,000	April 1, 1916
12,000	April 1, 1913	12,000	October 1, 1916
12,000	October 1, 1913	12,000	April 1, 1917
12,000	April 1, 1914	12,000	October 1, 1917
12,000	October 1, 1914		

Price, par and interest, yielding 6 per cent.

SECURITY.

The mortgage to the Central Trust Company of Illinois, of Chicago, is a first lien on 124,632,000 feet of standing, merchantable timber, consisting of yellow pine, white oak and other hardwoods located on 23,629 acres of land, about two-thirds of which is owned in fee simple, lying in practically a solid body in Sabine Parish, Louisiana. The mortgage also covers a modern sawmill with a capacity of 15,000,000 feet per annum, planing mills, dry kilns, store building and employes' houses, located at Wyatt, Louisiana.

A conservative appraisalment of the timber mortgaged, found in detail on the following page, shows it worth \$460,214—OVER THREE TIMES the amount of the bonds. The assets of the Company are over \$800,000—OVER FIVE TIMES the amount of the bonds. Principal and interest is unconditionally guaranteed by A. H. Henderson and G. E. Henderson, of Wyatt, Louisiana, by endorsement on each bond.

ESTIMATES AND APPRAISED VALUE.

The yellow pine timber has been estimated by Lemieux Brothers & Company, the well known Public Estimators, of New Orleans, Louisiana. The white oak and other hardwoods have been estimated by Ryan & Self, expert estimators of timber in Sabine Parish. The estimate and appraised value of the timber under the mortgage is as follows:

Yellow Pine.....	83,050,000 ft. at \$4.00 per 1,000 ft.	\$332,200
White Oak	14,950,000 ft. at 5.00 per 1,000 ft.	74,750
Other hardwoods.	26,632,000 ft. at 2.00 per 1,000 ft.	53,264

Total	124,632,000 ft.	\$460,214
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FINANCIAL STATEMENT

Before issuance of bonds:

ASSETS.

Cash, accounts receivable, lumber, merchandise
and other current and working assets.....\$ 51,827.78
Stumpage, Sabine Parish.....\$460,214
Stumpage, Jackson Parish 199,800

\$660,014.00

Saw mill plant, railroad and logging equipment. 89,408.25

\$801,250.03

LIABILITIES.

Accounts and bills payable\$154,014.58

The Company owns about 16,000 acres of land in fee simple, valued for agricultural purposes at \$80,000 after the timber is removed. This item is not included in above statement.

PURPOSE OF BOND ISSUE.

The authorized bond issue is \$250,000, of which the proceeds of \$150,000 outstanding will be used to pay balance on timber purchased (included in liabilities) and retire floating indebtedness. Under careful restrictions of the Trust Deed the reserved bonds, \$100,000, can be issued for the purchase of additional timber at the rate of \$1.75 per thousand feet of merchantable yellow pine.

The basis of the loan on outstanding bonds is \$1.22 per 1,000 feet. If the reserved bonds are issued as provided in Trust Deed the basis of the loan for the full amount of bonds authorized would be only \$1.37 per 1,000 feet—a very low rate for Southern timber.

HISTORY AND OPERATION.

The Wyatt Lumber Company, Limited, was organized in 1903, since which time it has been continuously and profitably engaged in the manufacture of lumber at Wyatt, Louisiana. In addition to the standing timber mortgaged the Company owns about 50,000,000 feet of yellow pine unencumbered at Wyatt, Jackson Parish, Louisiana. It is now cutting this timber. The saw mill plant has a capacity of 15,000,000 feet per annum, and it is estimated this timber will be cut out in about three years, when the plant will be removed to Sabine Parish. Bonds maturing during this time will be paid from the proceeds of the unencumbered Wyatt timber, which will leave a gradually increasing mar-

gin of security for the later maturing bonds. The Company's equipment includes a complete up-to-date saw mill, planing mill, dry kilns, etc., logging railroad and logging equipment, store building and employes' houses.

SINKING FUND.

The Trust Deed provides that before any timber is cut the Company must pay to the Trustee as a sinking fund for the redemption of bonds, \$3.50 per thousand feet of pine and white oak, according to the timber estimates on file with the Trustee. After removal of timber the land may be released by the Trustee on payment of \$3.50 per acre into the sinking fund.

The sinking fund is sufficient to retire all the outstanding bonds when about one-third of the timber mortgaged has been cut.

FIRE HAZARD.

Timber located in the southern states has never been destroyed by fire. Absence of undergrowth and height of the trees render any serious fire damage impossible.

EXAMINATION.

Before purchasing this issue of bonds we made a thorough personal investigation of all the conditions on which the security depends. All titles to the property have been carefully examined and approved by competent attorneys, under whose supervision the mortgage was drawn and the bonds issued.

Copies of trust deed, attorney's opinion, detailed timber estimates, and other data pertinent to the issue may be seen at our office.

All statements herein are official, or are based on information and data believed by us to be trustworthy and reliable, and, while not guaranteed, have been accepted and acted upon by us in the purchase and appraisal of the bonds and the property securing the same.

Bonds are offered subject to prior sale.

Bonds will be delivered where desired, express prepaid, payable with exchange.

Telegrams may be sent at our expense.

CHARLES M. SMITH & COMPANY,

Bankers,

First National Bank Bldg., Chicago, Ill.

EXHIBIT NO. 19.

CLARK L. POOLE & CO.,
BANKERS,
CHICAGO.

GUARANTEED FIRST MORTGAGE TIMBER LAND
BONDS.

Secured by absolute First Mortgage on about NINETY MILLION feet of merchantable hardwood and pine timber standing on lands OWNED IN FEE SIMPLE, located in Botetourt County, Virginia, on the main line of the Norfolk & Western Railroad. The mortgage is also a first lien on a modern Saw Mill, with a capacity of 50,000 feet per day, Railroad and equipment and logging equipment. We appraise the market value of these properties at \$387,865, or over two and one-half times the amount of this bond issue.

We own and offer, subject to prior sale: \$150,000 First Mortgage 6 Per Cent Gold Bonds of the

O. D. McHENRY LUMBER COMPANY
OF ARCADIA, VIRGINIA.

(P. O. Indian Rock, Virginia.)

Capital and Surplus over \$185,000.

O. D. McHenry, President.

Hon. John G. McHenry, Vice-President, Benton, Pa.

I. W. Edgar, Secretary and Treasurer.

Principal and interest GUARANTEED by endorsement on each bond by O. D. McHenry, President, and I. W. Edgar, Secretary and Treasurer.

Dated March 1, 1910. Maturing in series each six months, September 1, 1910, to March 1, 1918. Authorized issue, \$200,000. Present issue, \$150,000. Escrow bonds, \$50,000.

Bonds offered mature as follows:

\$10,000	September 1, 1910	\$12,500	September 1, 1913
10,000	March 1, 1911	12,500	March 1, 1914
10,000	September 1, 1911	12,500	September 1, 1914
10,000	March 1, 1912	12,500	March 1, 1915
10,000	September 1, 1912	15,000	September 1, 1915
10,000	March 1, 1913	15,000	March 1, 1916
\$10,000 September 1, 1916			

Principal and interest payable at Central Trust Company of Illinois, Trustee, Chicago.

The proceeds of this bond issue will retire all outstanding indebtedness of the O. D. McHenry Lumber Company, other than current obligations and provide them with ample working capital.

PROPERTIES COVERED BY MORTGAGE. TIMBER.

This mortgage to the Central Trust Company of Illinois, as Trustee, is a first lien on 20,100 acres of Botetourt County, Virginia, adjoining the main line of the Norfolk & Western Railroad, of which

10,000 acres are virgin timber lands,
6,000 acres partly cut-over timber lands,
4,100 acres open lands.

According to detail estimates made by our own timber estimator, Mr. W. E. Straight, a well-known and competent timber estimator of twenty years' experience, these lands will cut the following amounts of timber:

White, Red and Chestnut Oak.....	24,850,000 feet
White Pine	16,350,000 feet
Chestnut, Poplar and other hardwood.....	48,190,000 feet
Log scale	89,390,000 feet

These properties are exceptionally located, being on the main line of the Norfolk & Western Railroad, only 160 miles from Baltimore and the Central Eastern markets. The majority of mills shipping into this market are from 400 to 600 miles distant.

According to the audit of the books of the O. D. McHenry Lumber Company as of June 30, 1910, made by Marwick, Mitchell & Company, chartered accountants, the O. D. McHenry Lumber Company at the present time is making an average net profit of \$7.78 per thousand feet. This is on a basis of **OVER SEVEN TIMES THE MAXIMUM INTEREST CHARGE ON THIS ISSUE**, after deducting the Redemption Fund requirement of \$3.00 per thousand feet.

MILL PROPERTIES.

The mortgage is also a first lien on a modern band mill with a daily capacity of 50,000 feet, well located and substantially built, all timbers and line shafts resting on concrete foundations. The mortgage also covers five miles of railroad connecting the company's timber with the mill.

VALUE OF PROPERTIES.

We appraise the market value of this timber at \$3.50 per thousand feet, or.....	\$312,865
We appraise the market value of the railroad and mill properties at.....	75,000

A total valuation of all property covered by this-
mortgage of\$387,865
Or more than two and one-half times amount of this
bond issue.

The company takes no account in their financial statement of the 20,100 acres of land owned in fee, which is estimated to be worth an average of over \$5.00 per acre, or \$100,500. Botetourt County, we are informed, is a well known apple producing county.

REDEMPTION FUND.

This mortgage requires a deposit of \$3.00 per thousand feet every thirty days, log scale, for all timber cut, based upon estimates filed with the Trustee. Provisions of the mortgage covering this point are rigidly and carefully drawn. This deposit applies to the payment of the principal of the bonds only, and will operate to retire this entire bond issue before cutting 60 per cent of the timber covered by the mortgage. Should the amount deposited under this redemption fund exceed the amount maturing in any year, the Trustee is required to repurchase or call for redemption, at a premium of 103 and accrued interest, bonds of an amount sufficient to exhaust the surplus. Interest on the bonds is payable out of the earnings of the company.

CONDENSED BALANCE SHEET AS OF JUNE 30, 1910.

Compiled by Marwick, Mitchell & Co.,
Chartered Accountants.

ASSETS.

Timber lands owned in fee simple (19,800 acres), logging and mill property, equipment, etc..	\$297,332.82
Inventories, accounts and notes receivable.....	28,531.41
Cash at bankers	70,011.97
Total	\$395,876.20

TIMBER BONDS

LIABILITIES.

Capital stock authorized, \$200,000.00; whereof issued	\$174,000.00
First mortgage 6 per cent gold bonds.....	150,000.00
Current liabilities—notes, accounts, etc.....	60,362.28
Surplus	11,513.92
Total	<u>\$395,876.20</u>

New York, August 2, 1910.

We have examined the account of the O. D. McHenry Lumber Company, Inc., as at June 30, 1910, and we certify that, in our opinion, the foregoing Balance Sheet presents a full and fair statement of the Company's financial position on that date as revealed by its books.

MARWICK, MITCHELL & CO.,
Chartered Accountants.

PURPOSE OF BOND ISSUE.

This issue was made for the express purpose of retiring all outstanding indebtedness of the O. D. McHenry Lumber Company, other than current indebtedness, and will leave the Company with about \$70,000 free working capital.

The total issue is \$200,000; the present issue is limited to \$150,000; the remaining \$50,000 may be issued only in part payment for standing merchantable timber located near or adjacent to the timber now owned by the company at the rate of \$1.00 per thousand feet, titles to which are to be approved by our Counsel and based on estimates to be made in detail and certified to by our cruisers prior to the issuance and certification of such additional bonds.

GUARANTEE.

These bonds are unconditionally guaranteed, principal and interest, by written endorsement on each bond by Mr. O. D. McHenry and Mr. I. W. Edgar, who are recognized as thoroughly reliable and experienced hardwood lumber manufacturers.

PERSONNEL.

Mr. O. D. McHenry, President, has been a successful and conservative hardwood operator in Pennsylvania for over twenty years.

Mr. I. W. Edgar, Secretary and Treasurer, has been associated with Mr. O. D. McHenry for several years past.

The Hon. John G. McHenry, Vice-President and a large stockholder of the O. D. McHenry Lumber Co., is a resident of Benton, Pennsylvania, and a congressman from the dis-

trict. Mr. McHenry is also a director in numerous banks and trust companies.

FIRE HAZARD.

Virgin timber located in the southern states is absolutely free from devastating fires. This statement is merely a matter of record and will be verified by lumbermen and others familiar with southern timber. In this respect it differs entirely from northern stumpage.

Any serious damage by fire is impossible, because there is no undergrowth in these forests to hold or carry a damaging fire and trees are long-bodied and free from limbs from twenty-five or thirty feet above the ground. This is one of the most important facts in connection with this security.

TITLES AND MORTGAGES.

The titles to the land and timber covered by this mortgage have been examined and certified to by our counsel, Adams & Candee, of Chicago, under whose legal direction the bonds and mortgage were prepared.

DATES OF PAYMENT.

These bonds are issued in denominations of \$1,000 and \$500 each, and are due and payable each six months from September 1, 1910, to September 1, 1916 (see first page).

Price of bonds, for long or short time, par and accrued interest, yielding six per cent.

The above statements are based on information and data believed by us to be trustworthy and reliable, and while not guaranteed by us, have been accepted and acted upon by us in the purchase and appraisal of the bonds and the property securing the same.

CLARK L. POOLE & CO.,

Bankers,

Commercial National Bank Bldg, Chicago.

EXHIBIT NO. 20.

McCOY & COMPANY,

105 South La Salle St.,

CHICAGO.

We offer at par and accrued interest, subject to prior sale:
\$320,000 Six Per Cent First Mortgage Gold Bonds of
the

KRAUSE & MANAGAN LUMBER CO., LTD.,
Westlake, Louisiana.

Principal and interest guaranteed by R. Krause, Lake Charles, Louisiana; Wm. H. Managan, Westlake, Louisiana.

Principal and semi-annual interest payable at Interstate Trust & Banking Company, New Orleans, Trustee, or Continental National Bank, Chicago.

Dated September 1, 1908, Coupon Bonds, \$1,000 each, payable \$20,000 semi-annually from March 1, 1910, to September 1, 1917, inclusive.

THESE BONDS ARE SECURED BY FIRST MORTGAGE to the Interstate Trust & Banking Co., of New Orleans, Trustee, upon 18,477 acres of compact, well-located virgin timber lands in Calcasieu Parish, Louisiana, owned in fee, estimated to bear 221,930,000 feet of merchantable long leaf and short leaf yellow pine timber, besides a considerably quantity of hard woods. The mortgage is also a first lien upon the saw mill and plant located at Westlake, Louisiana. The mortgage requires that the mill and equipment shall be fully insured for the benefit of the bondholders.

AMOUNT AND VALUE OF TIMBER.

Careful detailed estimates of the timber have been made by Messrs. Lemieux Brothers & Co., of New Orleans, Louisiana, a copy of whose report we will furnish on application and from which we quote as follows:

Long Leaf Yellow Pine, 10 inches up.....	211,110,000 feet
Short Leaf Yellow Pine, 10 inches up.....	6,815,000 feet
Yellow Pine, 8 inches to 10 inches.....	4,005,000 feet
Hardwood	1,135,000 feet

Total	223,065,000 feet
-------------	------------------

Yellow pine timber of the character covered by this mortgage, may be conservatively appraised at \$3.00 to \$4.00 per thousand feet. These bonds are issued upon a basis of \$1.50 per thousand feet of merchantable yellow pine timber, hence the value of the pine timber alone is more than twice the amount of the bond issue, not including the value of other timber, the mill and plant at Westlake, and the personal guarantee of payment of Mr. R. Krause and Mr. Wm. H. Managan.

PAYMENT OF BONDS IS GUARANTEED uncondition-

ally, both as to principal and interest, by endorsement on each bond by Messrs. R. Krause and Wm. H. Managan.

EARNINGS.

The Company's net earnings for the past ten years have averaged in excess of \$75,000 per annum, after charging off the stumpage, as shown by the following statement taken from their books:

Year.	Sales.	Shipments.	Profits.
1898.....	\$278,448.17	26,181,370 feet	\$74,813.01
1899.....	271,629.85	24,254,649 feet	71,805.62
1900.....	250,733.54	19,347,432 feet	85,197.23
1901.....	291,183.39	22,429,098 feet	94,804.03
1902.....	261,880.74	18,661,796 feet	87,214.05
1903.....	274,843.89	20,519,051 feet	89,929.03
1904.....	244,434.12	18,868,472 feet	49,343.40
1905.....	298,991.70	20,591,134 feet	72,495.41
1906.....	231,702.21	13,198,523 feet	81,404.13
1907.....	260,306.72	14,378,113 feet	50,098.19

SINKING FUND.

The mortgage, under careful restrictions, requires the deposit with the Trustee, in advance, of \$3.00 for each one thousand feet of timber cut. This deposit must be made to cover the amount of timber found on each forty acres, according to the estimates of Lemieux Brothers & Co., before such timber is cut. It is the intention not to cut any of the timber securing the bonds for five or six years, but to supply the mill with other timber owned by the Company, and not covered by the mortgage.

TITLES AND LEGALITY.

The titles to the lands covered by the mortgage have been examined and approved by Messrs. Pujo, Moss & Sugar, Lake Charles, Louisiana; Messrs. Howe, Fenner, Spencer & Cocke, of New Orleans, and Mr. Samuel Adams, of Chicago, and the legality of the bonds, mortgage and guarantee have been approved by Messrs. Howe, Fenner, Spencer & Cocke and Mr. Samuel Adams. Copies of these opinions will be furnished upon request.

FIRE HAZARD.

Timber located in the Southern States has never been destroyed by fire. Absence of undergrowth and the height of the trees renders any serious fire damage impossible.

MATURITIES.

\$20,000 due March	1, 1910	\$20,000 due March	1, 1914
20,000 due September	1, 1910	20,000 due September	1, 1914
20,000 due March	1, 1911	20,000 due March	1, 1915
20,000 due September	1, 1911	20,000 due September	1, 1915
20,000 due March	1, 1912	20,000 due March	1, 1916
20,000 due September	1, 1912	20,000 due September	1, 1916
20,000 due March	1, 1913	20,000 due March	1, 1917
20,000 due September	1, 1913	20,000 due September	1, 1917

Any or all of the bonds may be redeemed on September 1st, 1911, or on any interest payment date thereafter, at a premium of 2 per cent and accrued interest, upon sixty days' notice.

PRICE FOR ANY MATURITY, PAR AND ACCRUED INTEREST.

All bonds offered by us are subject to sale, change of price or withdrawal. We use our best endeavors to carefully examine the details connected with the bonds offered, and while we do not guarantee information and statements in our letters and circulars concerning securities, they are the expression of our belief, or are statements that have been made to us from what we consider reliable sources and upon which we have acted. We can furnish the written opinion of our attorney on each issue. Orders for bonds may be telegraphed at our expense. Bonds delivered to purchaser, express prepaid, payable in New York or Chicago exchange.

McCOY & COMPANY,
105 S. LaSalle St., Chicago.

EXHIBIT NO. 21.

Circular No. 711—August, 1910.

PEABODY, HOUGHTLING & CO.,
105 South La Salle Street,
CHICAGO.

Established 1865.

Cable Address: "Hought," Chicago. Codes Used: Lieber and A. B. C. 5th Edition.

\$200,000 First Mortgage 6 Per Cent Serial Gold Bonds of the
SOUTH ALABAMA LUMBER COMPANY.

Dated August 1st, 1910. Payable in series as below. Re-

deemable in the reverse of their numerical order on August 1st, 1911, or on Interest Dates thereafter at 102½ and Interest. Coupon Bonds of \$500 and \$1,000 denominations, with privilege of registration as to principal. Principal and Semi-Annual Interest payable at the office of Peabody, Houghteling & Co., Chicago. First Trust & Savings Bank, Chicago, and Augustus S. Peabody, Trustees.

MATURITIES.

Amount.	Term.	Date Maturing.
\$ 6,000	1 year	August 1, 1911
6,500	1½ years	February 1, 1912
12,500	2 years	August 1, 1912
12,500	2½ years	February 1, 1913
12,500	3 years	August 1, 1913
12,500	3½ years	February 1, 1914
12,500	4 years	August 1, 1914
12,500	4½ years	February 1, 1915
12,500	5 years	August 1, 1915
25,000	5½ years	February 1, 1916
25,000	6 years	August 1, 1916
25,000	6½ years	February 1, 1917
25,000	7 years	August 1, 1917

These bonds, which are issued for the purpose of retiring the floating indebtedness of the Company and for additional working capital, are secured by a CLOSED First Mortgage on approximately 10,000 acres of land, and approximately 122,740,000 feet of timber.

VALUATION.

Based upon an examination of the Company's timber lands made in our behalf by the well known expert, Mr. J. P. Brayton, we value the security behind these bonds as follows:

Land and Timber.....\$638,680.00

In addition to which the Company has ample working capital, and owns a valuable saw mill, logging equipment and railroad, upon which we have placed no specific valuation.

SINKING FUND.

Under the terms of the Mortgage, the Company agrees to pay into the First Trust & Savings Bank, Chicago, on or before the 15th day of every month, subject to the Trustees'

order, a sinking fund of \$5.00 per thousand feet on all timber cut from the land, under the Mortgage, during the preceding calendar month.

Any surplus left in the sinking fund at the end of any year may be used to retire the bonds in the reverse of their numerical order at 102½ and interest.

This sinking fund is sufficient to pay off the entire principal of these bonds from the exhaustion of less than one-third of the Company's timber.

SECURITY.

The security behind these bonds consists of timber lands in Mobile County, Alabama, about twenty miles in a direct line from the city of Mobile. These lands comprise:

10,000 acres of land and timber owned in fee simple.

1,802 acres of timber owned in fee simple.

Total....11,802 acres.

These lands contain, according to the estimate of Mr. J. P. Brayton:

72,520,000 feet of Pine.

10,030,000 feet of Cypress.

40,190,000 feet of Hardwood.

Total...122,740,000 feet of merchantable timber.

The timber lands are, for the most part, level and the timber is very good.

These bonds are also secured by the Company's plant, which includes a Band Saw Mill, Logging Railway and Logging Outfit, in excellent condition and with a capacity of 45,000 feet per day.

OPERATION.

Because of the close proximity of the timber to the Mobile market, with railroad and water facilities, the ideal character of the land for economic logging and the quality of the timber, the Company's operations should be exceedingly profitable.

In his report of June 3rd, 1910, Mr. J. P. Brayton estimates the cost of manufacture from the stump to the car, including depreciation and management, to be about \$7.50 per thousand feet for the Yellow Pine, and the cost of lumbering the Cypress, Gum and other Hardwood and manufacturing the same into lumber, including depreciation and management, at \$10 per thousand feet. He considers \$16 per thousand feet a fair average price for the Pine, \$25

per thousand feet for the Cypress and \$14 per thousand feet for the Gum and other Hardwood. On this basis, the stumpage of 122,740,000 feet behind the total bond issue of \$200,000 would produce the following results:

72,520,000 feet of Pine at an average selling price of \$16 f. o.		
b. cars.....	\$1,160,320	
Less cost of logging, manufacturing and loading on cars, \$7.50.....		
	543,900	\$616,420
<hr/>		
10,030,000 feet of Cypress at an average selling price of \$25 f.		
o. b. cars.....	\$ 250,750	
Less cost of logging, manufacturing and loading on cars, \$10.....		
	100,300	150,450
<hr/>		
40,190,000 feet of Hardwood at an average selling price of \$14 f. o. b. cars		
	\$ 562,660	
Less cost of logging, manufacturing and loading on cars, \$10.....		
	401,900	160,760
<hr/>		
Net amount available for the protection of principal and interest of these bonds		\$927,630
Total amount of principal and interest of these bonds		\$262,625

MANAGEMENT AND OWNERSHIP.

The stockholders of the South Alabama Lumber Company are men of substantial means and large experience, and the management of the Company and its affairs are in conservative and thoroughly practical hands. The stockholders have an actual cash investment of over \$300,000 behind these bonds.

GUARANTEE.

These bonds are unconditionally guaranteed jointly and severally both as to principal and interest by Mr. H. H. Wheless of Shreveport, Louisiana, and Mr. J. M. Patterson, of Mobile, Alabama, who are men of excellent standing in their community, with a reputation for responsibility, integrity and absolute promptness in meeting their obliga-

tions. Their combined net worth, outside of their interest in this Company, is in excess of \$650,000.

We have investigated these properties thoroughly. The timber lands have been examined and reported on in detail by Mr. J. P. Brayton, one of the most experienced and best known experts in the country, as well as by our own timber expert. The Company's books have been audited by Messrs. Price, Waterhouse & Company, and the titles to the Company's property and all legal matters pertaining to this issue have been approved by Messrs. Stevens & Lyons of Mobile, Alabama.

We recommend these bonds as a safe investment for the following reasons:

First: The value of the security is over three times the amount of the issue.

Second: The stockholders have an actual cash investment of over \$300,000 behind the bonds.

Third: The timber securing these bonds is of unusually fine quality and so situated that it can be operated at a profit even under the most unfavorable market conditions.

Fourth: The stockholders of the Company are financially strong and are able to protect their investment, and the management is experienced, successful and thoroughly practical.

Fifth: The bonds are guaranteed by individuals having a net worth OUTSIDE OF THIS PROPERTY of \$650,000, over three times the amount of the bonds.

The bonds will be ready for delivery about September 1st and will be delivered at any bank desired, express prepaid.

Price, par and accrued interest.

Telegraphic orders may be sent at our expense.

PEABODY, HOUGHTELING & CO.,

105 S. LaSalle St., Chicago.

EXHIBIT NO. 22.

LYON, GARY & COMPANY,
LUMBERMEN AND BANKERS.
CHICAGO.

\$200,000.00 SOUTHERN TIMBER COMPANY

Six Per Cent First Mortgage Serial Gold Bonds.

Dated Nov. 17, 1910. Maturing semi-annually, May 15, 1911,
to Nov. 15, 1913.

Redeemable at 103 and interest, in whole or in part, on any interest day, on ninety days' notice.

Principal and interest payable in Chicago on May 15th and Nov. 15th.

Coupon Bonds of \$1,000 each; may be registered as to principal. Union Trust Company of Chicago and John K. Lyon, Trustees.

MATURITIES.

\$33,000.....	May 15, 1911	33,000.....	Nov. 15, 1912
33,000.....	Nov. 15, 1911	33,000.....	May 15, 1913
33,000.....	May 15, 1912	35,000.....	Nov. 15, 1913

Principal and interest guaranteed by endorsement by Ernest V. Dunlevie of Buffalo, New York.

The security for the bonds may be summarized as follows:

1. First Mortgage lien on 9,199 acres of land owned in fee and on the timber on 11,002 acres held under leases, none of which expires until subsequent to the maturity of all of the bonds of this issue, all located in Liberty County, Georgia.

2. Upon the 20,201 acres there are 140,000,000 feet of standing and living yellow pine timber.

3. The timber is conservatively valued at \$3.50 per thousand feet or a total valuation of approximately \$500,000.00 exclusive of the land.

4. The Mortgage also covers a railroad and logging equipment which has already cost in excess of \$90,000.00.

5. As additional security the Timber Company has assigned its contract with the Byers-Allen Lumber Co. of Allenhurst, Georgia, by the terms of which the said Lumber Company agrees to take from the Timber Company a minimum of 12,000,000 feet per annum and pay therefor when delivered at its mills \$8.50 per thousand.

6. The performance of this contract by the Byers-Allen Lumber Co. is guaranteed by its President, Mr. J. Henry Cochran of Williamsport, Penn., a lumberman reputed to be worth many times the amount of this bond issue.

7. From the statements of the Timber Company it is shown that logs are now being delivered at the mill of the Byers-Allen Lumber Co. at Allenhurst at a cost of less than \$3.00 per thousand, which would leave a margin for the Timber Company in excess of \$5.50 per thousand feet.

8. The Southern Timber Company's operations are under the personal charge of Mr. Ernest V. Dunlevie, the owner, a successful and experienced lumberman.

9. The loan is at the rate of \$1.40 per thousand on the timber.

10. Under the trust deed the Timber Company is required to pay to the trustee \$5.00 per thousand feet for timber desired to be cut; from this provision it will be seen that the whole loan will be paid before one-third of the timber pledged is cut.

11. The guarantor, Mr. E. V. Dunlevie is reputed to be worth, outside of this property, considerably more than the total amount of this loan.

12. Frequent inspection of the property is provided for at the expense of the borrower.

13. It is well known that yellow pine timber of the South has not suffered from fire hazard.

14. The valuations, titles and legal matters have been passed on by competent parties; the timber and its value by our own cruisers and the titles and legal matters by W. W. Gurley, of Chicago, and E. E. Barthell, of Nashville, Tenn.

15. The whole property lies within thirty-five miles of Savannah, Ga., and the sea coast, and has two trunk lines adjacent, one passing on each side and within a few miles of the property.

Map showing the exact location, copy of the Mortgage or Deed of Trust, and detailed statement of the cruise may be had on request.

All statements made in this circular are based upon information which we regard as reliable and upon which we acted in the purchase and valuation of the securities offered; such offerings being made subject to prior sale.

LYON, GARY & COMPANY,
204 Dearborn St.,
Chicago.

CHAPTER XIII.

SINKING FUND.

Most bond dealers at present have no standard method of arriving at the charge per thousand feet that must go to the sinking fund to retire the semi-annual serials. They usually drive the hardest possible bargain and charge the timberman all the traffic will bear. This method is unsound and entirely un-scientific. There are some issues outstanding, carrying such a heavy sinking fund charge that unless the market for lumber improves they will have to default in that particular condition.

The lumber operator has no right to draw big dividends out of the business while his debts are heavy. Neither should the bond house break him by forcing the borrower under a trust deed to pay excessive amounts to the sinking fund. The stumpage owner goes to the bond house to be financed, to be relieved of pressing debts and liabilities. He is not versed in the science of money and to a certain extent places himself at the mercy of the bond buyer. If the bond buyer understands lumbering and logging the timberman is safe in doing this. If the bond buyer weighs down the operator with excessive sinking fund charges the timberman is worse off than he was prior to bonding his property. Before floating the bond

issue, he could, at a crisis, sell a piece of timber or make some other turn. After floating a bond issue the entire property is mortgaged and he is helpless unless the bond house has provided him with enough money, under a liberal mortgage, to permit him to operate with safety and economy. The bond house that makes the sinking fund charges all the traffic will bear is not financing the borrower, but is starting him on the high road to default, foreclosure and bankruptcy.

The soundest method of figuring sinking funds now employed is that used by a large house that is fully conversant with logging and milling operations. This house knows the cost of each kind of lumber on cars in every locality and is conversant with the markets and the margin the operator has between cost on cars and selling price. They make allowances for all contingencies and base their sinking fund charges accordingly. This system is safe for all concerned when used by the above house, but in the hands of a bond house that is not fully in touch with the various phases of the timber business it is positively dangerous. The writer believes there should be a universal sinking fund rule; safe, and fair alike for both borrower and lender.

The timberman can now borrow in the form of a bond issue from one-third to one-half the value of his holdings. If his timber is worth four dollars a thousand on the stump he can

borrow about two dollars a thousand. Under the present practice the sinking fund on this loan is any figure the bond house estimates. The proper and scientific figure to be paid to the sinking fund on such a loan is the value of the stumpage,— four dollars per thousand. This will pay off the loan when half the timber is cut. In like manner when the loan is one-third the value of the timber and the sinking fund the full value of the timber the loan will be paid off while two-thirds of the stumpage is standing.

The sinking fund payments up to the present time have always exceeded the value of the timber. The true sinking fund is the value at which the timber is appraised for the loan and on which the percentage to be loaned is based. This gives the lender full protection and the timber owner a fair deal.

CHAPTER XIV.

FIRE RISK.

As the chief argument against the security behind a bond issue, the enemies of timber investments advance the danger from loss by forest fire. In order to fully understand this question it is necessary to know there are four kinds of forest fire, a ground fire, a surface fire, a stand fire and a crown fire.

A ground fire burns along the floor of the forest, creeping through its carpet and creating immense volumes of thick smoke, which conveys the idea to the observer that the entire forest is burning. These clouds of smoke get so dense that the sun appears in the heavens as an immense disc of fire. The eyes become inflamed and the throat and nose irritated. The great majority of forest fires are in this class.

The ground fire is practically harmless, but unfortunately for the timber owner, it does create a lot of smoke, and this smoke furnishes the politician—ranger and the newspaper space writer with campaign ammunition. The former for obvious reasons must have fires to cope with. The larger and more numerous the fires the more secure the fire fighters position, and the heavier the appropriations both state and national. The space writer is looking for anything that makes copy and is glad to use

the lurid material his friend the ranger furnishes him.

A surface fire runs higher up than the ground fire. It burns through the undergrowth. A surface fire does little damage unless it spreads and becomes a stand fire.

A stand fire is the really destructive element to a forest. It burns through the bark of the trees and causes their death. On the Pacific Coast, on the west side of the Cascade and Sierra mountains, fire killed timber stands indefinitely in some situations and makes perfect lumber. Some timber owners like to see a fire go through their stumpage as it cleans out the underbrush, makes the timber more accessible, the cost of building roads very light and reduces the logging expense considerably.

A crown fire burns in the crowns of the trees; it is very rare and as spectacular as unusual.

The loan value of timber is greatly reduced by the magnifying of the fire risk. The people who circulate the overdrawn reports of losses do not realize how seriously they injure timber owners and the wrong they work on stumpage prices. There are sections of the country where it is almost impossible to borrow money on timberland on account of the supposed fire risk. The reports of fire losses sent from the Pacific Coast during the summer and fall of 1910 created a feeling of fear about that part of the country amongst bankers and bond dealers.

Some of them will not handle Pacific Coast timber bonds on account of their belief in the truth of these reports. There is a fire risk in the Pacific Northwest in timber located East of the Cascade Mountains. But even there, the percentage of actual loss is small. West of the Cascades and in the Coast Range the fire risk is practically non-existent. In California, it is a well known fact that there is no fire risk in Redwood forests. Redwood trees cannot be burned.

In the Southern pine forests, there is no fire risk in round timber. There is a small fire risk in boxed timber if the ground is not raked and taken care of. Cypress is positively immune from fire and from that point of view, is truly the wood eternal. Hardwood carries no fire risk. The destructive fires have occurred in the northern forests, and in the lake states. These forests are practically cut out and do not come on the bond market.

Any person who wants to ascertain the actual fire loss in any particular section can do so by writing the timber owners and operators. After reading the press accounts about losses running into millions and then comparing them with the actual figures the investigator will realize how much reliance to place in the published statements.

If the figures published by interested parties during the last ten years as to the amount of timber burned were correct, all the known

stumpage in North America would have been totally destroyed several times. The fire risk is highly and unjustly exaggerated.

CHAPTER XV.

LOAN VALUE.

Every tract of timber has its own individuality, its distinct characteristics and its specific value either as a going enterprise, a reserve supply, an investment or a speculative holding.

Timber in certain sections of the country is worth more than timber in other sections. The locations of different tracts in the same section alter their value. Certain kinds of timber are more valuable than other kinds. Difference in size varies the value of the same kind.

Timber that is close to transportation is more valuable than remote stumpage. Timber that grows on good logging ground is more valuable than that which stands on rough ground. Timber tributary to deep water and railroads is more valuable than that which has only one outlet. Green and growing timber is worth more than trees that have reached maturity. Trees that have just reached maturity are more valuable than those which are over-ripe.

The worth of the land on which the timber stands is not now figured by bond dealers when estimating the amount of money to loan on a given timber property. This land is usually valuable for agricultural purposes, and is often very desirable for special uses. The exact

price of cut over land depends on its location, the nature of the soil and climate, the uses to which the land is adaptable, the nearness to a market for agricultural and garden products and the industry and thrift of the neighboring population. The land is surely a sound asset and should be considered.

In the South cut over land may be used for growing sugar cane, corn, cotton, rice, farm products or another crop of timber, depending on the climate and nature of the soil. The South must produce all the cotton used in America and it is the only part of the country where rice and cane can be grown. The value of cut over land in the South is enormous, and must be borne in mind by bond buyers. In many cases the land alone would more than pay the bond issues on the property and leave the timber, logging equipment, railroads and mills as additional security. A southern timber bond is among the safest forms of investment that can be found.

Humanity must be fed and housed. Timber and cotton are the great shelter crops of America. The land that now grows timber and when logged off will grow cotton, cane, rice or corn, is surely the soundest security in the world.

In floating bond issues at present the bond dealer will loan the timberman from thirty to fifty per cent of the value of his stumpage and make the operator include land, logging equip-

ment, railroads and mills in the mortgage as further security. This basis is fair enough for some sections and operations, but on the whole it is too low. The timberman who has a well located property, and whose operations will show a clean record of profits for several years last past, should be able to borrow about seventy-five per cent of the value of his timber owned in fee simple, and in addition, about fifty per cent of the value of his fixed improvements, such as railroads and mills.

CHAPTER XVI.

TECHNICAL TERMS.

In handling Timber Bonds, the Bond Dealer comes in close contact with the practical Logger and Millman, and unless he has made a specialty of timber bonds, he is often at a loss to follow the conversation of the lumberman. This inability to interpret the language of the industry has caused the failure of many bond negotiations for issues which were perfectly sound. The only reason for the non-production of these issues is the fact that the parties on either side of the transaction did not understand the technical expressions of the other well enough to feel at home and trade with confidence. After a conference with the practical logger or millman, the bond buyer feels he is getting beyond his depth, and while the business is attractive, he is afraid to venture where he does not clearly understand the ground, when in reality all he needs is a text book such as he can find on almost any other subject except timber bonds.

The trade words and terms keep cropping out in letters, reports and newspaper articles until the bond dealer gets the idea that the timber bond is to be originated only by specialists and brought out exclusively by the underwriter who makes a business of creating

such issues. The underwriter gives good service and makes it more than worth his profit to the dealer to buy through him. The underwriter knows stumpage values thoroughly, watches the lumber markets, knows the movements of the timber trade, keeps in close touch with the entire business, and the timber bond issues he offers are always the choicest. No bond dealer, however, should be entirely dependent on the underwriter. He should know the timber situation well enough to bring out his own timber bond issues when he so desires.

In a recent conversation with a bond seller who disposes of a round quantity of timber bonds each year, I was informed that he never originated his own issues because he knew nothing about the necessary proceedings, and could find no book on the subject. He told me he sent the timbermen, who came to him to negotiate loans, to the dealers he bought his bonds from and to whom he paid a handsome profit for their work of creating the bonds. I asked him why he did not buy through an underwriter, and was surprised to learn that he did not feel sufficiently confident even to do this. He would rather have some other house buy from the Underwriter and then in turn buy from it.

Such men lose business because they cannot train their salesmen thoroughly in the handling of this class of paper, and are not able to talk

convincingly about the particular issue they are offering. The timber bond is a very attractive security, pays a good rate of interest and is in great demand, but competition gives the sales to the man who can talk in an able manner and thus satisfy the buyer that his is the most desirable issue for sale at the moment.

There is nothing more technical or difficult about a timber bond than about a railroad bond or a hydro-electric bond or an industrial bond. The man who will devote a little study to investigating timber securities will grow to like them better all the time and soon realize they are as simple as any other bond. Timber bonds have been looked on with distrust by the loan officers and credit departments of banks and there are some banks that will not take them as collateral. This is because the officers are not familiar with these securities and have had no way of learning the full details and history of a timber bond. The reports and data they see are full of terms they do not understand and naturally they avoid the use of such paper as security for loans when they can place their money on collateral they know thoroughly or can learn all about. To overcome these obstacles of technical terms and place the timber bond in the high position it should occupy, a chapter of definitions has been compiled for this book.

There is a large and growing market for

Timber Bonds amongst wealthy stumpage owners, retired loggers, millmen and others who have made their money in timber or allied industries. These men talk stumpage and lumber from a practical point of view, and the timber bond salesman who cannot comfortably discuss his wares in their language is not likely to increase the business of his house with them. The timber bond salesman should be thoroughly familiar with the every day terms and technical phrases of the industry and be able to converse freely with the practical logger or millman.

Heretofore it has been almost impossible for the bond salesman to equip himself with the necessary knowledge owing to the lack of published information on the subject. By studying the definitions in the next chapter the bond salesman can fit himself to meet any timber owner, logger or millman, and discuss bonds, timber and operations with ease and confidence.

The writer has endeavored to make these terms conform to the exact language of the United States Bureau of Forestry and The Society of American Foresters. Readers wishing to continue their investigations along timber subjects are referred to bulletin number sixty-one, Bureau of Forestry, which has been used as a text book for the following chapter, to the "History of the Lumber Industry" and "The Curiosity Shop" published by the

American Lumberman, Chicago, "The Economics of Forestry" by B. E. Fernow, to the works of George B. Sudworth, Dendrologist of the Bureau of Forestry, Washington, D. C., the works of Overton W. Price, U. S. Forest Service, Washington, D. C., and to the bulletins of the Bureau of Forestry, Washington, D. C.

CHAPTER XVII.

WORDS AND PHRASES.

Absolute Forest Land. Land fit only for forest growth.
Accident Yield. Trees which are cut on account of accident, as, for example, damage by wind, snow, insects or fire.

Accretion. Increase in diameter or height; distinguished from increment, increase in volume.

Accretion Borer. An instrument for determining the growth in diameter of standing trees. It consists of a hollow auger, which when bored into a tree, extracts a section showing the annual rings.

Accretion Thinning. A thinning made specifically to increase the rate of growth in diameter of the trees which are left standing. See thinning.

Actual Merchantable Length. See used length.

Actual Merchantable Volume. See used volume.

Advance Growth. Young trees which have sprung up in accidental openings in the forest, or under the forest cover before reproduction cuttings are begun. See volunteer growth.

After Growth. Young trees which have sprung up as the result of reproduction cuttings.

Age Class. All trees in a stand whose ages are within a given limit.

Alder Grab. The stem of an alder, or other small tree, which is bent over and plugged into a hole bored in a boom stick, or secured in some other way, to hold a boom of logs inshore.

Alligator. 1. A boat used in handling floating logs. It can be moved overland from one body of water to another by its own power, usually applied through drum and cable. 2. A device, often made from the fork of a tree, on which the front end of a log is placed to facilitate skidding on swampy ground.

Anchor Line. A line attached to a small buoy and to one fluke of an anchor used in towing a raft of logs. It is employed to free the anchor when fast to rocks or snags.

Annual Ring. The layer of wood produced by the diameter growth of a tree in one year, as seen on a cross section. See false ring.

Apron. 1. A platform projecting down stream from the sluiceway of a dam to launch well into the stream

logs which pass through the sluiceway. 2. A platform built of timbers at the foot of a slide, which guides in the desired direction logs leaving the slide.

Ark. See Wanigan.

Aspect. The direction toward which a slope faces. The eight main points of the compass, N., N.E., E., S.E., S., S.W., W., N.W., are distinguished in forest description.

Back Fire. A fire started purposely some distance ahead of a fire which is to be fought. The back fire is intended to burn only against the wind, so that when the two fires meet, both must go out for lack of fuel.

Back Line. See haul back.

Ballhooter. One who rolls logs down a hillside.

Bank. 1. See Landing. 2. The logs cut or skidded in one day above the required amount and held over by the saw crew or skidders, to be reported when the required daily number is not reached.

Banking Ground. See landing.

Barker. One who peels bark in gathering tanbark. A peeler or spudder.

Bark Blazer. See scratcher.

Bark Gouge. See scratcher.

Barking Iron. See spud.

Bark Mark. A symbol chopped into the side of a log to indicate its ownership; when used with the end mark, it serves as an additional means of identification.

Bark Marker. One who cuts the bark mark on logs.

Barn Boss. One who has charge of the stables in a logging camp.

Basal Area. The area of a cross section of a tree, or the sum of such areas.

Batten. A log less than eleven inches in diameter at the small end.

Battery. Two or more donkey engines for dragging logs, set at intervals on a long skid road.

Beaver. See swamper.

Becket. A large hook used in loading logs on cars by means of tackle.

Bicycle. A traveling block, used on a cable in steam skidding.

Bigness Scale. See full scale.

Big Wheels. See logging wheels.

Binder. A springy pole used to tighten a binding chain.

Binding Chain. A chain used to bind together a load of logs.

Binding Logs. Logs placed on the top of the chain binding a load, in order to take up the slack.

Birl. To cause a floating log to rotate rapidly by treading upon it.

Bitch Chain. A short, heavy chain with hook and ring, used to fasten the lower end of a gin pole to a sled or car when loading logs.

Blank. An opening in the forest where, from any cause, very few or no trees are growing.

Blaze. To mark, by cutting into trees, the course of a boundary, road, trail, or the like.

Block. See brail.

Blow Down. See windfall.

Blue Jay. See road monkey.

Bluing. The result of fungus attack, which turns the sapwood of certain trees blue.

Board Foot. The contents of a board one foot square and one inch thick. The common unit of measure for logs and lumber in the United States.

Board Measure. The standard of lumber measurement, the unit of which is the board foot.

Board Rule. A graduated stick for determining the contents of boards. The number of board feet in boards of given widths and lengths is shown upon the stick.

Board Scale. See board measure.

Bob. See dray.

Bobber. See deadhead.

Bob Logs. To transport logs on a bob or dray.

Body Wood. Cord wood cut from those portions of the stems of trees which are clear of branches.

Bole. See stem.

Bolster. See bunk.

Boom. Logs or timbers fastened together end to end and used to hold floating logs. The term sometimes includes the logs inclosed, as a boom of logs.

Boomage. Toll for use of a boom.

Boom Buoy. See boom stay.

Boom Chain. A short chain which fastens boom sticks end to end.

Boom Company. A corporation engaged in handling floating logs, and owning booms and booming privileges.

Boom Pin. A wooden plug used to fasten to boom sticks the chain, rope or withe which holds them together.

Boom Rat. One who works on a boom.

Boom Stay. A heavy weight used to anchor booms in deep water; its position is indicated by a pole or float attached to it.

- Boom Stick.** A timber which forms part of a boom.
- Bottle Butted.** See swell butted.
- Bottom Sill.** See mudsill.
- Brail.** A section of a log raft, six of which make an average tow.
- Brake Sled.** A logging sled so constructed that, when the pole team holds back, a heavy iron on the side of each runner of the forward sled is forced into the roadbed.
- Brand.** See mark.
- Break Out.** 1. To start a sled whose runners are frozen to the ground. 2. To open a logging road after heavy snowfall.
- Breasthigh.** At or having a height of $4\frac{1}{2}$ feet above the ground.
- Breastwork Log.** See fender skid.
- Briar.** A crosscut saw.
- Bridle.** A device for controlling the speed of logs on a skid road. It consists of a short rope with two hooks at one end, which are driven into the first log of the turn; at the other end is a clamp which runs over the cable.
- Bridle Man.** One who follows a turn of logs down a skid road and tends to the "bridle."
- Broadleaf.** See hardwood.
- Brow Skid.** The chief beam in a frame to which tackle for loading logs on cars is fastened.
- Brush a Road.** To cover with brush the mud holes and swampy places in a logging road, to make it solid.
- Brush Snow Fence.** A snowbreak to protect a logging road; used most commonly on wide marshes. It consists of brush which is set upright in the ground before it freezes.
- Brutting Crew.** A crew which rolls logs down slopes too steep for teams.
- Buck.** 1. To saw felled trees into logs. 2. To bring or carry, as to buck water or wood.
- Bucker.** 1. One who saws felled trees into logs. A cross cutter. 2. One who brings or carries.
- Buckwheat.** See hang up.
- Buckwheater.** A novice at lumbering.
- Bull Chain.** 1. A very heavy chain, to which a number of short chains, with hooks on one end and dogs on the other, are attached. It is used to draw logs from the mill pond up the gang way. 2. See jack chain.
- Bull Cook.** See chore boy.
- Bull Donkey.** A large donkey engine which, by drum

and cable, drags logs from the place where they are yarded to a landing.

Bully. A common name for the foreman or boss of a logging camp.

Bummer. A small truck with two low wheels and a long pole, used in skidding logs.

Bunch Load. To encircle several logs with a chain and load them at once, by steam or horse power.

Bunch Logs. To collect logs in one place for loading.

Bunk. 1. The heavy timber upon which the logs rest on a logging sled. 2. The cross beam on a log car or truck. 3. A log car or truck.

Bunk Chain. See toggle chain.

Bunk Hook. The hook attached to the end of the bunk on a logging car, which may be raised to hold the logs in place or lowered to release them.

Bunk Load. A load of logs not over one log deep; one in which every logs rests on the bunks.

Bunk Spikes. Sharp spikes set upright in the bunks of a logging sled to hold the logs in place.

Burn. An area over which fire has run to the noticeable injury of the forest.

Bush a Road. To mark the route of a logging road across a marsh or the ice by setting up bushes.

Butt. The base of a tree, or the big end of a log.

Butt Cut. 1. The first log above the stump. 2. In gathering tanbark the section of the bark taken from the butt of a tree before felling it for further peeling.

Butt Hook. The hook by which the cable is attached to the tackle on the logs.

Butt Log. See butt cut.

Butt Off. 1. To cut a piece from the end of a log on account of a defect. 2. To square the end of a log.

Buttress. A wall or abutment built along a stream to prevent the logs in a drive from cutting the bank or jamming.

Butt Team. In a logging team of four or more, the pair nearest the load.

Caliper. An instrument for measuring the diameter of trees or logs, usually consisting of a graduated beam to which is attached one fixed and one sliding arm.

Camp Inspector. A lazy lumberjack, who goes from one logging camp to another, working only a short time in each.

Cannon a Log. In loading logs by steam or horse power, to send up a log so that it swings crosswise, instead of parallel to the load.

Cant Dog. See cant hook.

- Cant Hook.** A tool like a peavey, but having a toe ring and lip at the end instead of a pike.
- Cap.** A cone of sheet iron or steel, with a hole in the end through which a chain passes, which is fitted over the end of a log before snaking it, to prevent catching on stumps, roots, or other obstacles in steam skidding.
- Catamaran.** A small raft carrying a windlass and grapple, used to recover sunken logs.
- Catch Boom.** A boom fastened across stream to catch and hold floating logs.
- Catface.** A partly healed over fire scar on the stem of a tree.
- Catpiece.** A small stick in which holes are made at regular intervals, placed on the top of uprights firmly set in floating booms. The uprights are fitted to enter the holes in the catpiece, so as to narrow or widen the space between the booms at the entrance to a sluiceway or sorting jack. The catpiece is held by the uprights high enough above water to allow logs to float freely under it.
- Cattyman.** An expert river driver.
- Center Jam.** A jam formed on an obstacle in the middle of a stream, and which does not reach either shore.
- Chain Grapples.** See grapples.
- Chain Tender.** See sled tender.
- Check.** A longitudinal crack in timber caused by too rapid seasoning.
- Cheese Block.** See chock block.
- Chock Block.** A small wedge or block used to prevent a log from rolling.
- Choker.** A noose of wire rope by which a log is dragged.
- Choker Man.** The member of a yarding crew who fastens the choker on the logs.
- Chopper.** See faller.
- Chore Boy.** One who cleans up the sleeping quarters and stables in a logging camp, cuts firewood, builds fires and carries water.
- Chunk.** To clear the ground with engine or horses, of obstructions which can not be removed by hand.
- Chunk Up.** To collect and pile for burning the slash left after logging.
- Churn Butted.** See swell butted.
- Chute.** See slide.
- Clean Cutting.** 1. The cutting of the entire stand.
2. An area upon which the entire stand has been cut.
- Clean Cutting Method.** A method of conservative lum-

bering in which the entire stand is cut at one time and reproduction is secured by sowing or planting. See forest management.

Cleaning. A thinning made in a stand which has not reached the small-pole stage. Its main object is to remove trees of undesirable form and species. See thinning.

Clear Length. In silvics that portion of the stem of a tree free from branches. In forest measurements the meaning of the term varies with the species measured and the purpose of the measurements. For example, clear length is in some cases used to designate that portion of the stem entirely free from branches; in others, that portion free from dead branches, or from growing branches of a given size.

Closed. See crown density.

Coal Off. To cut a forest clean for charcoal wood.

Commissary. A general store for supplying lumbermen.

Conk. 1. The decay in the wood of trees caused by a fungus. 2. The visible fruiting organ of a tree fungus.

Conky. Affected by conk.

Conservative Lumbering. Practical forestry; any method of lumbering which perpetuates the forest by use.

Cook Camp. The building used as kitchen and dining room in a logging camp.

Cooke. Assistant cook and dishwasher in a logging camp.

Cook Shanty. See cook camp.

Cook House. See cook camp.

Coppice. See sprout.

Corkscrew. A geared locomotive.

Corner Binds. Four stout chains, used on logging sleds, to bind the two outside logs of the lower tier to the bunks, and thus gives a firm bottom to the load.

Corner Man. In building a camp or barn of logs, one who notches the logs so that they will fit closely and make a square corner.

Coupling grab. See grapples.

Crab. A small raft bearing a windlass and anchor used to move log rafts up stream or across a lake.

Cradle. A framework of timbers in which ocean going rafts of logs are built.

Cradle Knolls. Small knolls which require grading in the construction of logging roads.

Crazy Chain. The short chain used to hold up that tongue of a sprinkler sled which is not in use.

Crib. Specifically, a raft of logs; loosely applied to a boom of logs.

Crib Logs. To surround floating logs with a boom and draw them by a windlass on a raft, or to tow them with a steamboat.

Cross Chains. Chains connecting the front and rear sleds of a logging sled.

Cross Cutter. See buckler.

Cross Haul. 1. The cleared space in which a team moves when cross hauling. 2. To load cars or sleds with logs by horse power and crotch or loading chain.

Crotch. To cut notches on opposite sides of a log near the end, into which dogs are fastened.

Crotch Chain. A tackle for loading logs on sleds, cars, or skidways by cross hauling.

Crotch Tongue. Two pieces of wood, in the form of a V, joining the front and rear sleds of a logging sled.

Crown. In silvics, the upper part of a tree, including the living branches with their foliage. In forest measurements the use of the term varies with the kind of tree and the purpose of the measurements. For example, crown may be used to designate the whole leaf and branch system or that portion of it above a dead or a growing branch of a given size. In tree description the crown is described as long or short, broad or narrow, compact or ragged, conical or flat.

Crown Class. All trees in a stand occupying a similar position in the crown cover. Dominant, intermediate, overtopped, and suppressed trees each constitute a crown class.

Crown Cover. The canopy formed by the crowns of all the trees in a forest, or, in an irregular forest, by the crowns of all trees in a special crown class.

Crown Density. The density of the crowns of the trees in a forest; it is usually measured by the extent to which the ground is shaded. The degrees of crown density in a forest are expressed in the following terms: Closed. When the crowns form an uninterrupted cover and permit little or no sunlight to reach the ground. Dense. When three-fourths or more of the ground is shaded. Thin. When three-fourths to one-half of the ground is shaded by the crowns. Open. When less than one-half the ground is shaded by the crowns. Park forest is a forest in which shade occurs only in isolated patches, under single trees or small groups.

Crown Fire. See forest fire.

Cruise. To estimate the amount and value of standing timber.

Cruiser. One who cruises. An estimator, a land looker.

Cruiser's Bark Blazer. See scratcher.

Cull. 1. Logs which are rejected, or parts of logs deducted in measurements on account of defects. 2. To take out of a forest by selection a portion of the trees.

Culled Forest. Forest from which cuttings by selection have removed a portion of the trees.

Current Annual Increment. The volume of wood produced in a given year by the growth of a tree or stand.

Cut. A season's output of logs.

Cut a Log. To move one end of a log forward or backward, so that the log will roll in the desired direction.

Cut Off. An artificial channel by which the course of a stream is straightened, to facilitate log driving.

Cut-Over Forest. Forest in which most or all of the merchantable timber has been cut.

Cutting Area. The area over which cuttings are to be or have been made.

Cutting Height. The height above the ground at which a tree is to be cut. See stump height.

Cutting Series. A block or a part of a block containing even aged stands whose ages differ uniformly within given limits and which are to be cut in turn, the cutting usually following a given direction. A perfect cutting series seldom exists, except under the clean cutting method followed by artificial reproduction, or under the sprout method.

Deaden. To kill a standing tree by girdling it.

Deadening. An area upon which the trees have been deadened.

Deadener. A heavy log or timber, with spikes set in the butt end, so fastened in a log slide that the logs passing under it come in contact with the spikes and have their speed retarded.

Deacon Seat. The bench in front of the sleeping bunks in a logging camp.

Deadhead. A sunken or partly sunken log.

Deadman. A fallen tree on the shore, or the timber to which the hawser of a boom is attached.

Deadwater. See stillwater.

Decker. One who rolls logs upon a skidway or log deck.

Decking Chain. See loading chain.

Deck Up. To pile logs upon a skidway.

Deer Foot. A V-shaped iron catch on the side of a logging car, in which the binding chain is fastened.

Dehorn. To saw off the ends of logs bearing the owner's marks and put on a new mark.

Dense. See crown density.

Diameter Breasthigh. The diameter of a tree 4½ feet above the ground.

Diameter Class. All trees in a stand whose diameters are within prescribed limits.

Diameter Growth. The increase in diameter of a tree.

Diameter Limit. The diameter usually breasthigh, which defines the size to which trees are to be measured or used for any given purpose.

Diameter Tape. A tape for ascertaining the diameter of trees, so graduated that the diameter corresponding to the girth of a tree is read directly from the tape.

Dingle. The roofed over space between the kitchen and the sleeping quarters in a logging camp, commonly used as a store room.

Dinkey. A small locomotive.

Dog. A short, heavy piece of steel, bent and pointed at one end, and with an eye or ring at the other. It is used for many purposes in logging, and is sometimes so shaped that a blow directly against the line of draft will loosen it.

Dog Boat. See rigging sled.

Dogger. One who attaches the dogs or hooks to a log before it is steam skidded.

Dog Hooks. 1. The strong hook on the end of a dogwarp. 2. A hook on the end of a haul-up chain of a size to permit its being hooked into a link of the chain when the latter is looped around a log or other object.

Dogs. See skidding tongs.

Dogwarp. A rope with a strong hook on the end, which is used in breaking dangerous jams on falls and rapids and in moving logs from other difficult positions.

Dog Wedge. An iron wedge with a ring in the butt, which is driven into the end of a log and a chain hitched in the ring for skidding the log by horsepower; also used in gathering up logs on a drive by running a rope through the rings and pulling a number of logs at a time through marshes or partly submerged meadows to the channel.

Dolly. See upright roller.

Dolphin. A cluster of piles to which a boom is secured.

Dominant. Having the crown free to light on all sides because of greater height.

Donkey. A portable steam engine equipped with drum and cable, used in steam logging. See road donkey, yarding donkey, bull donkey, spool donkey.

Donkey Sled. The heavy sledlike frame upon which a donkey engine is fastened.

Dote. The general term used by lumbermen to denote decay or rot in timber.

Doty. Decayed.

Double Couplers. Two coupling grabs joined by a short cable used for fastening logs together.

Double Header. A place from which it is possible to haul a full load of logs to the landing, and where partial loads are topped out or finished to the full hauling capacity of teams.

Down Hill Clevis. A brake on a logging sled, consisting of a clevis encircling the runner, to the bottom of which a heavy square piece of iron is welded.

Drag Cart. See bumper.

Drag In. See dray in.

Drag Road. See dray road; gutter road.

Dray Sled. See dray.

Draw Hook. See gooseneck.

Draw Skid. See brow skid.

Dray. A single sled used in dragging logs. One end of the log rests upon the sled.

Dray In. To drag logs from the place where they are cut directly to the skidway or landing.

Dray Road. A narrow road, cut wide enough to allow the passage of a team and dray.

Drive. 1. To float logs or timbers from the forest to the mill or shipping point. 2. A body of logs or timbers in process of being floated from the forest to the mill or shipping point. 3. That part of logging which consists in floating logs or timbers.

Drum Logs. To haul logs by drum and cable out of a hollow or cove.

Dry-Ki. Trees killed by flooding.

Dry Pick. As applied to a jam, to remove logs singly while the water is cut off.

Dry Roll. In sacking the rear, to roll stranded logs into the bed of the stream from which the water has been cut off preparatory to flooding.

Dry Rot. Decay in timber without apparent moisture.

Dry Slide. See slide.

Dry Sloop. To sloop logs on bare ground when the slope

is so steep that it would be dangerous to sloop on snow.

Dry Topped. Having a dead or partially defoliated crown, discolored foliage, as the result of injury or disease.

Dudler. See dudley.

Dudley. An engine for hauling logs, which propels itself and drays its load by revolving a large spool around which are several turns of a cable fixed at each end of the track.

Duffle. The personal belongings of a woodsman or lumberjack which he takes into the woods; dunnage.

Dump Hook. A levered chain grab hook attached to the eveners to which a team is hitched when loading logs. A movement of the lever releases the hook from the logging chain without stopping the team.

Dump Logs. To roll logs over a bluff, or from a logging car or sled into the water.

Dust a Dam. To fill up with earth or gravel the cracks or small holes between planks in the gate of a splash dam.

Dutchman. A short stick placed transversely between the outer logs of a load to divert the load toward the middle and so keep any logs from falling off.

End Mark. See mark.

Estimate. See cruise.

Estimator. See cruiser.

Expectation Value. See forest expectation value.

Experiment Area. A forest area of known size upon which successive measurements or other detailed studies are made for the determination of the growth and behavior of the stand, or upon which experiments are conducted to ascertain the effect of methods of treatment upon the forest.

Exposure. See aspect.

Face Log. See head log.

Faller. One who fells trees. See head faller. Second faller.

Falling Ax. An ax with a long helve and a long narrow bit, designed especially for felling trees.

Falling Wedge. A wedge used to throw a tree in the desired direction, by driving it into the saw kerf.

False Ring. The layer of wood, less than a full season's growth, and seldom extending around the stem, which is formed whenever the diameter growth of a tree is interrupted and begins again during the same growing season.

Feeder. See barn boss.

Fender Boom. See shear boom.

Fender Skid. A skid placed on the lower side of a skidding trail on a slope to hold the log on the trail while being skidded.

Fid Hook. A slender, flat hook used to keep another hook from slipping on a chain.

Filer. One who files the saws. A saw fitter.

Final Yield. All material derived from reproduction cuttings or clean cuttings. It is usually the chief crop, and marks the end of the rotation.

Fire Line. A strip kept clear of inflammable material as a protection against the spread of forest fire.

First Growth. 1. Natural forest in which no cuttings have been made. 2. Trees grown before lumbering or severe fire entered the forest; belonging to the original stand.

Fitter. 1. One who notches the tree for felling and after it is felled, marks the log lengths into which it is to be cut. 2. One who cuts limbs from felled trees and rings and slits the bark, preparatory to peeling tanbark.

Float. See drive.

Float Road. A channel cleared in a swamp and used to float cypress logs from the woods to the boom at the river or mill.

Flood. See splash.

Flood Dam. See splash dam.

Flume. 1. To transport logs or timbers by a flume. 2. An inclined trough in which water runs, used in transporting logs or timbers.

Flunkey. An assistant, usually either to the engineer of a donkey engine or to the cook in a logging camp; a chore boy.

Flying Drive. A drive the main portion of which is put through with the utmost dispatch, without stopping to pick rear.

Fly Rollway. A skidway or landing on a steep slope, from which the logs are released at once by removing the brace which holds them.

Fore and Aft Road. A skid road made of logs placed parallel to its direction, making the road resemble a chute.

Forest. An area whose principal crop is trees. A forest includes both the forest cover and the soil beneath it. A forest judged by the character of the stand may be timberland or woodland. These constitute the two great classes of forests, between which it is possible to draw a practical but not an ab-

solute distinction. Timberland may be broadly defined as that class of forest which contains in commercial quantities trees of sufficient size and of the required kind to furnish saw logs, pulp wood, ties, poles or wood for similar uses. Woodland may be broadly defined as forest which contains trees fit for firewood or fencing, but none or very few trees which are suitable for the uses enumerated above. A timber tract is a body of timberland, usually of large area. A woodlot is a forest of small area in which the wood is used mainly for fuel, fencing, and other farm purposes.

Forest Capital. The capital which a forest represents. It consists of the forest land or fixed capital, and the stand.

Forest Cover. All trees and other plants in a forest.

Forester. One who practices forestry as a profession.

Forest Expectation Value. The present net value of all future returns expected from the forest capital. It is determined by discounting to the present time, at compound interest, all returns and expenses anticipated.

Forest Extension. The establishment of forest upon areas where it is at present absent or insufficient.

Forest Fire. A fire in timberland or woodland. A forest fire may be a ground fire, a surface fire, a stand fire, or a crown fire. A ground fire is one which burns in the forest floor and does not appear above the ground. When a fire runs over the surface or burns the undergrowth, it is a surface fire. When a surface fire spreads from the undergrowth to the stand, igniting the trees, it becomes a stand fire. Under certain conditions the crowns of the trees may be ignited, causing a crown fire.

Forest Floor. The deposit of vegetable matter on the ground in a forest. Litter includes the upper, but slightly decomposed portion of the forest floor; humus, the portion in which decomposition is well advanced.

Forest Influences. All effects resulting from the presence of the forest, upon health, climate, stream flow and economic conditions.

Forest Management. The practical application of the principles of forestry to forest area. Forest management includes forest mensuration, or the determination of the present and future products of the forest. Forest organization, or the preparation of working plans and planting plans, detailed and comprehensive schemes for the establishment and best use of the forest; and forest finance, or the determination of the

money returns from forestry. Three great systems of forest management are distinguished: The seed system, the sprout system and the composite system. The seed system includes the stand method, group method, strip method, patch method, strip stand method, group seed method, scattered seed method, single tree method, reserve seed method, clean cutting method. The sprout system includes the sprout method. The composite system includes the reserve sprout method.

Forest Policy. The principles which govern the administration of a forest for its best permanent use.

Forest Products. All usable material yielded by the forest. Major products include all wood harvested for any purpose. Minor products include all forest products except wood.

Forest Protection. The safeguarding of the forest against any damage not caused by its own growth.

Forestry. The science and art of making the best permanent use of the forest. The main branches of forestry are forest policy, silviculture, forest management, forest protection and forest utilization.

Forest Type. A forest or a part of a forest possessing distinctive characteristics of composition or habits of growth.

Form Class. All trees in a stand so similar in form that the same form factor is applicable in determining their actual volume.

Form Factor. The ratio expressed decimally between the volume of a tree, or portion of a tree, and of a cylinder of the same height and diameter. The volume of this cylinder multiplied by the form factor gives the actual volume of the tree or portion of the tree. Three kinds of form factors are distinguished, according to the portion of the tree to which they refer: A tree form factor is used for determining the actual volume of the whole tree; a stem form factor for determining the volume of the stem, and a timber form factor for determining the merchantable contents of stem, crown or both. A form factor is called absolute, when the diameter of the tree is measured at any convenient height, the form factor referring only to that portion of the tree above the point at which the diameter is measured; normal, when the diameter is measured at a height in constant ratio to the total height of the tree; and artificial, when the breasthigh diameter is measured.

Four Paws. See double couplers.

Frog. 1. The junction of two branches of a flume.

2. A timber placed at the mouth of a slide to direct the discharge of the logs.

Full Scale. Measurement of logs, in which no reduction is made for defects.

Future Yield. The amount of wood which given trees upon a given area will contain after a given period.

Future Yield Table. A tabular statement of future yield.

Gangway. The incline plane up which logs are moved from the water into a sawmill.

Gap Stick. The pole placed across the entrance of a sorting jack to close it, when not in use.

Gee Throw. A heavy, wooden lever, with a curved iron point, used to break out logging sleds.

Gin Pole. A pole secured by guy ropes to the top of which tackle for loading logs is fastened.

Glancer. See fender skid.

Glancer Boom. See shear boom.

Glisse Skids. Freshly peeled skids upon which logs are slid instead of rolled when being loaded.

Go Back Road. A road upon which unloaded logging sleds can return to the skidways for reloading, without meeting the loaded sleds en route to the landing.

Go-Devil. See dray.

Gooseneck. 1. A wooden bar used to couple two logging trunks. 2. The point of draft on a logging sled; it consists of a curved iron hook bolted to the roll. 3. A curved iron driven into the bottom of a slide to check the speed of descending logs.

Goosepen. A large hole burned in a standing tree.

Grab Hook. A hook having a narrow throat, adapted to grasp any link of a chain.

Grab Link. See slip grab.

Grabs. See skidding tongs.

Grab Skipper. A short iron pry or hammer, used to remove the skidding tongs from a log.

Grapples. 1. Two small iron dogs joined by a short chain, and used to couple logs end to end when skidding on mountains, so that several logs may be skidded by one horse at the same time. See skidding tongs.

Gravel a Dam. To cover with gravel or earth the upstream side of the timber work of a dam to make it water tight.

Greaser. See road monkey.

Grips. See skidding tongs.

Ground Cover. All small plants growing in a forest ex-

cept young trees; such as ferns, mosses, grasses and weeds. See underbrush.

Ground Fire. See forest fire.

Ground Loader. See send-up man.

Group Method. A method of conservative lumbering in which groups of young trees which have sprung up in openings caused by logging, insect damage, wind-fall, snowbreak, or other agency, are taken as starting points for the future forests; or if these are insufficient, small openings are purposely made. Reproduction by self-sown seed from the mature stand at the edges of these groups is secured by careful cuttings, which extend the groups until they join.

Group Mixture. A mixed forest in which trees of the same species occur in groups not large enough to be considered pure stands.

Group Seed Method. A method of conservative lumbering in which the forest is reproduced after a single cutting, by leaving in groups seed trees of the kind desired.

Grouser. A large and long stick of square timber sharpened at the lower end and placed in the bow of a steam logging boat; it takes the place of an anchor in shallow water, and can be raised or lowered by steam power.

Guard a Hill. To keep a logging road on steep decline in condition for use.

Gun. To aim a tree in felling it. In the case of a very large brittle tree, such as redwood, a sighting device is used.

Gunning Stick. See gun.

Guttermen. See swamper.

Gutter Road. The path followed in skidding logs.

Handbarrow. Two strong, light poles held in position by rungs, upon which bark or wood is carried by two men.

Hand Pike. A piked lever usually six to eight feet long for handling floating logs.

Hand Skidder. One who accompanies a log as it is being dragged and places short skids beneath it.

Hang the Boom. To put the boom in place.

Hang Up. 1. To fell a tree so that it catches against another instead of falling to the ground. 2. As applied to river driving, to discontinue; thus a drive may be "hung up" for lack of water, or for some other reason.

Hardwood. As applied to trees and logs, broadleaved, belonging to the dicotyledons.

- Haul.** In logging, the distance and route over which teams must go between two given points, as between the yard or skidway and the landing.
- Haul Back.** A small wire rope, traveling between the donkey engine and a pulley, set near the logs to be dragged, used to return the cable.
- Haul Up.** A light chain and hook by which a horse may be hitched to a cable to move it where desired.
- Hay Road.** See tote road.
- Hay Wire Outfit.** A contemptuous term for loggers with poor equipment.
- Head Block.** The logs placed under the front end of the skids in a skidway to raise them to the desired height.
- Head Driver.** An expert river driver who, during the drive, is stationed at a point where a jam is feared. Head drivers usually work in pairs.
- Head Faller.** The chief of a crew of fallers.
- Head Log.** 1. The front bottom log on a skidway.
2. The front log in a turn.
- Head Push.** See straw boss.
- Headquarters.** In logging, the distributing point for supplies, equipment and mail; not usually the executive or administrative center.
- Head Tree.** In steam skidding, the tree to which the cable upon which the traveler runs is attached.
- Headworks.** A platform or raft, with windlass or capstan, which is attached to the front of a log raft or boom of logs, for warping, kedging, or winding it through lakes or still water, by hand or horse power.
- Height Class.** All trees in a stand whose heights are within prescribed limits.
- Height Growth.** The increase in height of a tree.
- Height Measure.** An instrument for measuring the height of a tree.
- Helper.** See second faller.
- Hoist.** See loading tripod.
- Holding Boom.** See storage boom.
- Hook Tender.** The foreman of a yarding crew; specifically one who directs the attaching of the cable to a turn of logs.
- Horse Dam.** A temporary dam made by placing large logs across a stream, in order to raise the water behind it, so as to float the rear.
- Horse Logs.** In river driving, to drag stranded logs back to the stream by the use of peaveys.
- Hovel.** A stable for logging teams.
- Humus.** That portion of the forest floor in which decomposition is well advanced.

Hypsometer. See height measure.

Ice a Road. To sprinkle water on a logging road so that a coating of ice may form, thus facilitating the hauling of logs.

Ice Guards. Heavy timbers fastened fan shaped about a cluster of boom piles at an angle of approximately thirty degrees to the surface of the water. They prevent the destruction of the boom by ice, through forcing it to mount the guards and be broken up.

Increment. The volume or value of wood produced during a given period by the growth of a tree or of a stand. Three kinds of increment are distinguished: Volume increment is the increase in volume of a tree or stand; quality increment is the increase in value per unit of volume; price increment is the increase resulting from an advance in the price of forest products independent of quality increment.

Index. The highest average actually found upon a given locality. The term index applied to stand, diameter growth, height growth, increment and present and future yield is the equivalent of normal, when normal is used to describe the assumed standard based upon actual measurement.

Index Forest. That forest which in density, volume and increment reaches the highest average which has been found upon a given locality. Measurements of such a forest provide a standard for comparison with other forests of the same age and composition, grown under similar conditions.

Intermediate. Having the crown shaded on the sides, but free to light on the top.

Intermediate Yield. All material from thinnings or from any cuttings not intended to invite or assist reproduction. See yield.

Intolerant. Incapable of enduring heavy shade.

Irregular Forest. Forests in which the trees differ considerably in age.

Jack Chain. An endless spiked chain, which moves logs from one point to another, usually from the mill pond into the sawmill. See bull chain.

Jack Ladder. See gangway.

Jackpot. 1. A contemptuous expression applied to an unskillful piece of work in logging. 2. An irregular pile of logs.

Jam. A stoppage or congestion of logs in a stream, due to an obstruction or to low water.

Jam Cracker. See head driver.

Jammer. An improved form of gin, mounted on a mov-

able framework, and used to load logs on sleds and cars by horsepower.

Jam—to Break. To start in motion logs which have jammed.

Jay Hawk. To strip one four-foot length of bark from a tanbark oak, leaving the tree standing.

Jiboo. To remove a dog from a log.

Jigger. To pull a log by horsepower over a level place in a slide.

Jim Binder. See binder.

Jobber. A logging contractor or subcontractor.

Jobber's Sun. A term applied to the moon in a jobber's or contractor's logging camp, on account of the early and late hours of commencing and ending work.

Jumper. A sled shod with wood, used for hauling supplies over bare ground into a logging camp.

Katydid. See logging wheels.

Key Log. In river driving, a log which is so caught or wedged that a jam is formed and held.

Kilbig. A short, stout pole used as a lever or brace to direct the fall of a tree.

Knot. See limb.

Knot Bumper. See limber.

Knotter. See limber.

Laker. A log driver expert at handling logs on lakes.

Landing. 1. A place to which logs are hauled or skidded preparatory to transportation by water or rail. A rough and tumble landing is one in which no attempt is made to pile the logs regularly. 2. A platform, usually at the foot of a skid road, where logs are collected and loaded on cars. A lightning landing is one having such an incline that the logs may roll upon the cars without assistance.

Landing Man. One who unloads logging sleds at the landing.

Land Looker. See cruiser.

Lapwood. Tops left in the woods in logging.

Lash Pole. A cross pole which holds logs together in a raft.

Lazy Haul. See jigger.

Lead. A snatch block with a hook or loop for fastening it to convenient stationary objects, used for guiding the cable by which logs are dragged.

Lead Line. A wire rope, with an eye at each end, used to anchor the snatch block in setting a lead.

Lead Log. See brow skid. Head log.

Lightning Landing. See landing.

Limb. To remove the limbs from a felled tree.

- Limber.** One who cuts the limbs from felled trees.
- Line Horse.** The horse which drags the cable from the yarding engine to the log to which the cable is to be attached.
- Litter.** That portion of the forest floor which is not in an advanced state of decomposition. See humus.
- Lizard.** See dray.
- Loader.** One who loads logs on sleds or cars. See steam loader.
- Loading Chain.** A long chain used in loading or piling logs with horses.
- Loading Jack.** A platformed framework upon which logs are hoisted from the water for loading upon cars.
- Loading Tripod.** Three long timbers joined at their tops in the shape of a tripod, for holding a pulley block in proper position to load logs on cars from a lake or stream.
- Locality.** An area considered with reference to forest producing power; the factors of the locality are the altitude, soil, slope, aspect and other local conditions influencing forest growth.
- Locality Class.** All localities with similar forest producing power.
- Lock Down.** A strip of tough wood, with holes in the ends, which is laid across a raft of logs. Rafting pins are driven through the holes into the logs, thus holding the raft together.
- Lodge.** See hang up.
- Logan.** See pokelogan.
- Log Deck.** The platform upon a loading jack.
- Log Dump.** See landing.
- Log Fixer.** See rosser.
- Log Rule.** 1. A tabular statement of the amount of lumber which can be sawed from logs of given lengths and diameters. 2. A graduated stick for measuring the diameters of logs. The number of board feet in logs of given diameters and lengths is shown upon the stick.
- Log Scale.** See log rule.
- Logger.** One engaged in logging.
- Logging Sled.** The heavy double sled used to haul logs from the skidway to the landing.
- Logging Sled Road.** A road leading from the skidway or yard to the landing.
- Logging Wheels.** A pair of wheels, usually about ten feet in diameter, for transporting logs.
- Log Jack.** See gangway.
- Log.** To cut logs and deliver them at a place from

which they can be transported by water or rail, or, less frequently at the mill.

Log Watch. See head driver.

Logway. See gangway.

Long Butt. See butt off.

Loose-Tongued Sloop. See swing dingle.

Lubber Lift. To raise the end of a log by means of a pry, and through the use of weight instead of strength.

Lug Hooks. A pair of tongs attached to the middle of a short bar, and used by two men to carry small logs.

Lumber. To log, or to manufacture logs into lumber, or both.

Lumberjack. One who works in a logging camp.

Lumberman. One engaged in lumbering.

Many-Aged Forest. A forest through all parts of which many different age classes of trees tend to distribute themselves. When all age classes are thus distributed, the forest is "all-aged." These two terms replace selection forest; many-aged being substituted for imperfect selection, and all aged for perfect or ideal selection.

Mature Forest. Forest so old that growth in height is practically at an end and diameter growth is decreasing.

Mark. A letter or sign indicating ownership, which is stamped on the ends of logs.

Mark Caller. In sorting logs, one who stands at the lower end of the sorting jack and calls the different marks, so that the logs may be guided into the proper channels or pockets.

Marker. One who puts the mark on the ends of logs.

Marking Hammer. A hammer bearing a raised device which is stamped on logs to indicate ownership.

Marking Hatchet. A hatchet for marking trees. A raised die is cut on the head for stamping the face of the blaze.

Marking Iron. See marking hammer.

Match. See mate.

Mate. To place together in a raft logs of similar size.

Mean Annual Increment. The total increment of a tree or stand divided by its age in years.

Merchantable Length. The total length of that portion of the stem which can be used under given conditions.

Merchantable Volume. The total volume of that portion of the tree which can be used under given conditions.

Mild Humus. Humus in a condition favorable to forest growth.

Mill Pond. The pond near a saw mill in which logs to be sawn are held.

Mixed Forest. Forest composed of trees of two or more species.

Monitor. See catamaran.

Moss. To fill with moss the crevices between logs in a logging camp.

Mud. To fill with soft clay the crevices between the logs in a logging camp.

Mudboat. A low sled with wide runners, used for hauling logs in swamps.

Mudsill. The bed piece or bottom timber of a dam which is placed across the stream, usually resting on rocks or in mud.

National Forest Reserve. A forest which is the property of the United States.

Nick. See undercut.

Nose. To round off the end of a log in order to make it drag or slip more easily.

Notch. To make an undercut in a tree preparatory to felling it.

Old Field Growth. See volunteer growth.

Old Growth. See first growth.

Open. See crown density.

Overmature Forest. Overripe forest in which, as the result of age, growth has ceased and decay set in.

Overtopped. Having the crown shaded from above, although a side or sides may be free to light.

Peaker. 1. A load of logs narrowing sharply toward the top, and thus shaped like an inverted V. 2. The top log of a load.

Peavey. A stout lever five to seven feet long, fitted at the larger end with a metal socket and pike and a curved steel hook which works on a bolt; used in handling logs, especially in driving. A peavy differs from a cant hook in having a pike instead of a toe ring and lip at the end.

Pecky. A term applied to an unsoundness most common in bald cypress.

Peeler. See Barker.

Peggy. See pecky.

Pickaroon. A piked pole fitted with a curved hook, used in holding boats to jams in driving, and for pulling logs from brush and eddies out into the current.

Pick the Rear. See sack the rear.

Pier Dam. A pier built from the shore, usually slanting down stream, to narrow and deepen the channel, to

guide logs past an obstruction, or to throw all the water on one side of an island.

Pig. See rigging sled.

Pig Tail. An iron device driven into trees or stumps to support a wire or small rope.

Pike Pole. A piked pole, twelve to twenty feet long, used in river driving.

Pitch Pocket. A cavity in wood filled with resin.

Pitch Streak. A seam or shake filled with resin.

Plug and Knock Down. A device for fastening boom sticks together, in the absence of chains. It consists of a withe secured by wooden plugs in holes bored in the booms.

Pocket Boom. A boom in which logs are held after they are sorted.

Point. See gun.

Pokelogan. A bay or pocket into which logs may float off during a drive.

Pole. A tree from four to twelve inches in diameter breasthigh. See tree class. A small pole is a tree from four to eight inches in diameter breasthigh. A large pole is a tree from eight to twelve inches in diameter breasthigh.

Pond Man. One who collects logs in the mill pond and floats them to the gangway.

Pontoon. See catamaran.

Present Yield. The amount of wood at present contained in given trees upon a given area.

Private Forest. A forest which is the property of an individual, corporation, company, or private institution.

Prize Logs. Logs which come to the sorting jack without marks denoting ownership.

Pruning. The removal of branches from standing trees by natural or artificial means. The clearing of the stem through the death and fall of branches for want of light is known as natural pruning. When living branches are removed by cutting them close to the stem the operation is known as green pruning; when it is confined to dead branches, as dry pruning. Some mill men will not buy logs known to have been pruned.

Pull Back. See haul back.

Pull Boat. A flatboat, carrying a steam skidder or a donkey, used in logging cypress.

Pull the Briar. To use a crosscut saw.

Put In. In logging, to deliver logs at the landing.

Pure Forest. Forest composed of trees of one species.

In practice, a forest in which eighty per cent of the trees are of one species.

Quickwater. That part of a stream which has fall enough to create a decided current.

Rafter Dam. A dam in which long timbers are set on the upstream side at an angle of twenty to forty degrees to the water surface. The pressure of the water against the timbers holds the dam solidly against the stream bed.

Ram Pike. A tree broken off by wind and with a splintered end on the portion left standing.

Rank. To haul and pile regularly, as, to rank bark or cord wood.

Ranking Bar. See handbarrow.

Ranking Jumper. A wood-shod sled upon which tanbark is hauled.

Rave. A piece of iron or wood which secures the beam to the runners of a logging sled.

Rear. The upstream end of a drive; the logs may be either stranded or floating. "Floating Rear" comprises those logs which may be floated back into the current; "dry rear," those which must be dragged or rolled back.

Receiving Boom. See storage boom.

Regular Forest. Forest in which the trees are about the same age.

Ride. The side of a log upon which it rests when being dragged.

Ride a Log. To stand on a floating log.

Rigging. The cables, blocks, and hooks used in skidding logs by steam power.

Rigging Sled. A sled used to haul hooks and blocks on a skid road.

Rigging Slinger. 1. A member of a yarding crew, whose chief duty it is to place chokers or grabs on logs. 2. One who attaches the rigging to trees, in steam skidding.

Ring. A section of tanbark, usually four feet long.

Ring Rot. Decay in a log, which follows the annual rings more or less closely.

Rise. The difference in diameter, or taper, between two points in a log.

River Boss. The foreman in charge of a log drive.

River Driver. One who works on a log drive.

River Rat. A log driven whose work is chiefly on the river; contrasted with Laker.

Road Donkey. A donkey engine mounted on a heavy sled, which drags logs along a skid road by winding

a cable on a drum. It has a second drum for the haul back.

Road Gang. That portion of the crew of a logging camp who cut out logging roads and keep them in repair.

Road Monkey. One whose duty it is to keep a logging road in proper condition.

Roll. The crossbar of a logging sled into which the tongue is set.

Roller. See Roll; Upright roller.

Rolling Dam. A dam for raising the water in a shallow stream. It has no sluiceways, but a smooth top of timber over which, under a sufficient head of water, logs may slide or roll.

Roll the Boom. To roll a boom of logs along the shore of a lake against which it is held by wind, by the use of a cable operated by a steamboat or kedge. The cable is attached to the outer side of the boom, hauled up, then attached again, thus propelling the boom by revolving it against the shore when it would be impossible to tow it.

Rollway. See landing.

Rooster. See gooseneck.

Root Collar. The place at the base of a tree where the swelling which is the direct result of the ramifications of the roots begins.

Bosser. One who barks and smooths the ridge of a log in order that it may slide more easily.

Rotation. The period represented by the age of a forest, or a part of a forest, at the time when it is cut, or intended to be cut. The following classes of rotation are distinguished: Financial Rotation, under which a forest yields the highest net interest on its capital value, calculating at compound interest. Income Rotation, under which a forest yields the highest net return, calculating without interest. Silvical Rotation, the rotation most favorable to the natural reproduction of the forest under a given method. Technical Rotation, under which a forest yields the material most useful for a certain purpose. Volume Rotation, under which a forest yields the greatest quantity of the material.

Round Timber. Pine trees which have not been turpented.

Round Turn. A space at the head of a logging sled road, in which the sled may be turned around without unhitching the team.

Runner Chain. A chain bound loosely around the forward end of the runners of a logging sled as a brake.

Runner Dog. A curved iron attached to the runner of the hind sled of a logging sled, which holds the loaded sled on steep hills by being forced into the bed of the road by any backward movement.

Runway. See gutter road.

Rutter. A form of plow for cutting ruts in a logging road for the runners of the sled to run in.

Sack the Rear. To follow a drive and roll in logs which have lodged or grounded.

Sack the Slide. To return to a slide logs which have jumped out.

Saddle. The depression cut in a transverse skid in a skid road to guide the logs which pass over it.

Sample Tree. A tree which in diameter, height, and volume is representative of a tree class. A class sample is a tree which in diameter, height and volume represents the average of several tree classes.

Sampson. An appliance for loosening or starting logs by horse power. It usually consists of a strong, heavy timber and a chain terminating in a heavy swamp hook. The timber is placed upright beside the piece to be moved, the chain fastened around it, and the hook inserted low down on the opposite side. Leverage is then applied by a team hitched to the upper end of the upright timber.

Sampson a Tree. To direct the fall of a tree by means of a lever and pole.

Sapling. A tree three feet or over in height, and less than four inches in diameter breasthigh. A small sapling is a sapling from three to ten feet high. A large sapling is a sapling ten feet or over in height.

Sap Stain. Discoloration of the sap wood.

Saw fitter. See Filer.

Sawyer. See Faller.

Scale Book. A book especially designed for recording the contents of scaled logs.

Scaler. One who determines the volume of logs.

Scalper. See Rosser.

Scoot. See Dray.

Scratcher. An instrument used for marking trees. It usually consists of a hook-like gouge fastened to a flat, elliptical iron hoop, with wooden handle plates on the opposite side from the gouge.

Season Check. See Check.

Second Faller. The subordinate in a crew of fallers.

Second Growth. Forest growth which comes up naturally after cutting, fire, or other disturbing cause.

- See Forest.** A forest composed wholly or mainly of trees grown from seed.
- Seedling.** 1. A tree grown from seed. 2. A tree grown from seed which has not reached a height of three feet. See Tree Class.
- Seed Tree.** Any tree which bears seed specifically, a tree left by the logger to provide the seed for natural reproduction.
- Self-Loading Dam.** See Rafter dam.
- Semi-mature Forest.** Forest in which rapid growth in height has culminated, but diameter growth has not begun to fall off.
- Send Up Man.** That member of a loading crew who guides the logs up the skids.
- Send Up.** In loading to raise logs up skids with cant hooks, or by steam or horse power.
- Setting.** The temporary station of a portable saw mill, a yarding engine, or other machine used in logging.
- Severance Cutting.** The cutting of all trees upon a narrow strip before natural pruning has far advanced, in order that the trees bordering this strip may, as the result of partial exposure, become wind-firm through the development of strong roots. Thus severance cuttings are made to strengthen the trees on the edge of a stand which will later be entirely exposed through the removal of the stand which now protects it.
- Shaft.** See Stem.
- Shake.** A crack in timber, due to frost or wind.
- Shanty Boat.** See Wanigan.
- Shanty Boss.** See Chore Boy.
- Shear Boom.** A boom so secured that it guides floating logs in the desired direction.
- Shear Skid.** See Fender Skid.
- Shoot a Jam.** To loosen a log jam with dynamite.
- Shore Hold.** The attachment of the hawser of a raft of logs to an object on the shore.
- Shore Road.** See Go-back road.
- Shot Holes.** Holes made in wood by boring insects.
- Side Jam.** A jam which has formed on one side of a stream, usually where the logs are forced to the shore at a bend by the current, or where the water is shallow or there are partially submerged rocks.
- Side Mark.** See Bark Mark.
- Side Winder.** A tree knocked down unexpectedly by the falling of another.
- Signal Man.** One who transmits orders from the fore-

man of a yarding crew to the engineer of a yarding donkey.

Silvics. 1. The science which treats of the life of trees in the forest. 2. The habit of behavior of a tree in the forest.

Silviculture. The art of producing and tending a forest; the application of the knowledge of silvics in the treatment of a forest.

Single Tree Method. That method of conservative lumbering in which reproduction from self-sown seed under the shelter of the old stand is invited by the cutting of single trees. This cutting may be made throughout the forest, as in some woodlots, or in definite portions of the forest in turn.

Single Out. To float logs, usually cypress, one at a time, from the woods to the float road.

Sinker. See Deadhead.

Sinker Boat. See Catamaran.

Skid. 1. To draw logs from the stump to the skidway, landing, or mill. 2. As applied to a road, to re-enforce by placing rods or poles across it. 3. A log or pole, commonly used in pairs, upon which logs are handled or piled, or the log or pole laid transversely in a skid road.

Skidder. 1. One who skides logs. 2. A steam engine, usually operating from a railroad track, which skids logs by means of a cable. 3. The foreman of a crew which constructs skid roads.

Skidding Chain. A heavy chain used in skidding logs.

Skidding Hooks. See Skidding tongs.

Skidding Sled. See Dray.

Skidding Tongs. A pair of hooks attached by links to a ring and used for skidding logs.

Skidding Trail. See Gutter Road.

Skid Grease. A heavy oil applied to skids to lessen the friction of logs dragged over them.

Skid Road. 1. A road or trail leading from the stump to the skidway or landing. 2. A road over which logs are dragged, having heavy transverse skids partially sunk in the ground, usually at intervals of about five feet.

Skid Up. 1. To level or re-enforce a logging road by the use of skids. 2. To collect logs and pile them on a skidway.

Skidway. Two skids laid parallel at right angles to a road, usually raised above the ground at the end nearest the road. Logs are usually piled upon a skid-

way as they are brought from the stump for loading upon sleds, wagons or cars.

Sky Hooker. See Top loader.

Slack Water. In river driving the temporary slackening of the current caused by the formation of a jam.

Slant Dam. See Rafter Dam.

Slash. 1. The debris left after logging, wind or fire. 2. Forest land which has been logged off and upon which the limbs and tops remain, or which is covered with debris as the result of fire or wind.

Slashing. See Slash.

Sled Fender. 1. One who assists in loading and unloading logs or skidding with dray. 2. A member of the hauling crew who accompanies the turn of logs to the landing, unhooks the grabs, and sees that they are returned to the yarding engine.

Slide. A trough built of logs or timber, used to transport logs down a slope.

Slide Tender. One who keeps a slide in repair.

Slip Grab. A pear-shaped link attached by a swivel to a skidding evener or whiffletree, through which the chain is passed. The chain runs freely when the slip grab is held sideways, but catches when the grab is straight.

Slipper. See Rosser.

Slip Skids. See Glisse skids.

Sloop. See dray.

Sloop Logs. To haul logs down steep slopes on a dray or sloop equipped with a tongue.

Slope. The gradient of the land surface. In forest description the following terms are used to define the slope, each of which has its equivalent in percentages of the horizontal distance and in degrees:

Level	=	0- 5 %	=	.0- 3.0°
Gentle	=	5- 15 %	=	3.0- 8.5°
Moderate	=	15- 30 %	=	8.5-16.5°
Steep	=	30- 50 %	=	16.5-26.5°
Very steep	=	50-100 %	=	26.5-45.0°
Precipitous	=	over 100 %	=	over 45.0°

Slough Pig. Usually a second rate river driver who is assigned to picking logs out of sloughs in advance of the rear.

Sluice. To float logs through the sluiceway in a splash dam. See Flume.

Sluice Gate. The gate closing a sluiceway in a splash dam.

Sluiceway. The opening in a splash dam through which logs pass.

Snake. See Skid.

Snaking Trail. See Gutter Road.

Snatch Team. See Tow Team.

Snib. In river driving, to be carried away purposely, but ostensibly by accident, on the first portion of a jam that moves; to ride away from work under guise of being accidentally carried off.

Snipe. See Nose.

Sniper. One who noses logs before they are skidded.

Snow a Road. To cover bare spots in a logging road with snow, to facilitate the passage of sleds.

Snowbreak. 1. The breaking of trees by snow. 2. An area on which trees have been broken by snow.

Snow Slide. A temporary slide on a steep slope, made by dragging a large log through deep snow which is soft or thawing; when frozen solidly it may be used to slide logs to a point where they can be reached by sleds.

Snub. To check, usually by means of a snub line, the speed of logging sleds or logs on steep slopes, or of a log raft.

Softwood. As applied to trees and logs, needle-leaved coniferous.

Soil. In forest description the origin, composition, depth and moisture of the forest soil are considered under soil. Its depth is defined by the following terms, each of which has its equivalent in inches:

Very shallow = less than six inches

Shallow = six to twelve inches

Moderate = twelve to twenty-four inches

Deep = twenty-four to thirty-six inches

Very deep = over thirty-six inches

The moisture of the soil is defined by the following terms:

Wet: When water drips from a piece held in the hand without pressing.

Moist: When water drips from a piece pressed in the hand.

Fresh: When no water drips from a piece pressed in the hand, though it is unmistakably present.

Dry: When there is little or no trace of water.

Very Dry: When the soil is parched. Such soils are usually caked and very hard, sand being an exception.

Solid Jam. 1. In river driving, a jam formed solidly and extending from bank to bank of a stream. 2. A drive is said to be "in a solid jam" when the stream

is full of logs from the point to which the rear is cleared to the mill, sorting jack, or storage boom.

Sorting Boom. A strong boom used to guide logs into the sorting jack, to both sides of which it is usually attached.

Sorting Gap. See Sorting Jack.

Sorting Jack. A raft, secured in a stream, through an opening in which logs pass to be sorted by their marks and diverted into pocket booms or the down stream channel.

Spanish Windlass. A device for moving heavy objects in logging. It consists of a rope or chain, within a turn of which a lever is inserted and power gained by twisting.

Spiked Skid. A skid in which spikes are inserted in order to keep logs from sliding back when being loaded or piled.

Splash. To drive logs by releasing a head of water confined by a splash dam.

Splash Boards. Boards placed temporarily on top of a rolling dam to heighten the dam, and thus to increase the head of water available for river driving.

Splash Dam. A dam built to store a head of water for driving logs.

Split Roof. A roof of a logging camp or barn made by laying strips split from straight-grained timber. The strips run from the ridge pole to the eaves, and break the joints with other strips, as in a shingle roof.

Spool Donkey. A donkey engine for winding cable, equipped with a spool or capstan, instead of a drum.

Spool Tender. One who guides the cable on a spool donkey.

Spring Board. A short board, shod at one end with an iron calk, which is inserted in a notch cut in a tree, on which the faller stands while felling a tree.

Spring Pole. 1. A springy pole attached to the tongue of a logging sled and passing over the roll and under the beam, for holding the weight of the tongue off the horse's neck. 2. A device for steadying a cross-cut saw, so that one man can use it instead of two.

Sprinkler. A large wooden tank from which water is sprinkled over logging roads during freezing weather in order to ice the surface.

Sprinkler Sleds. The sleds upon which the sprinkler is mounted. They consist of two sleds whose runners turn up at each end fastened together by cross chains, and each having a pole, in order that the sprinkler

may be hauled in either direction without being turned around.

Sprout. A tree which has grown from a stump or root.
A coppice growth.

Spud. A tool for removing bark. A barking iron.

Spudder. See Barker.

Stag. To cut off trousers at the knee, or boots at the ankle.

Stand. All growing trees in a forest or in part of a forest.

Standard. A tree from one to two feet in diameter breasthigh. See Tree class.

Standard Forest. A forest of standards.

Stand Class. All stands of similar density, height and volume for a given age and diameter and a given locality class. The index stand may constitute the first stand class.

Stand Fire. See forest fire.

Stand Method. That method of conservative lumbering in which reproduction is secured from self-sown seed by means of successive cuttings made throughout the mature stand, thus leading to the production of a new stand approximately even aged. These successive cuttings encourage seed production, create conditions favorable to the growth of seedlings, and gradually remove the remaining trees of the mature stand as the young growth develops. The series of cuttings which vary in number and duration according to the degree of difficulty with which reproduction is effected, is divided into the following four kinds:

Preparatory cuttings fit the stand for its reproduction by the removal of dead, dying or defective trees, and prepare the ground for the germination of seeds. A stand in which one or more preparatory cuttings have been made is in the preparatory stage.

Seed cuttings encourage seed production by the further opening of the stand, and admit light in quantity favorable for the development of young growth. A stand in which one or more seed cuttings have been made is in the seeding stage.

Removal cuttings gradually remove the mature stand which would otherwise retard the development of the young trees. A stand in which one or more removal cuttings have been made is in the removal stage.

Final cutting is the last of the removal cuttings, in which all of the old stand still remaining is cut.

Stand Table. A tabular statement of the number of

trees of each species and diameter class upon a given area.

Starting Bar. See Gee Throw.

State Forest. A forest which is the property of a state.

Stay Boom. A boom fastened to a main boom and attached upstream to the shore to give added strength to the main boom.

Steam Hauler. A geared locomotive used to haul loaded logging sleds over an ice road. It is equipped with a spiked metal belt which runs over sprocket wheels replacing the driving wheels, and is guided by a sled, turned by a steering wheel, upon which the front end rests.

Steam Jammer. See steam loader.

Steam Loader. A machine operated by steam and used for loading logs upon cars.

Steam Skidder. See skidder.

Stem. The trunk of a tree. The stem may extend to the top of the tree, as in some conifers, or it may be lost in the ramification of the crown, as in most broad-leaf trees. In tree description the stem is described as long or short, straight or crooked, cylindrical or tapering, smooth or knotty.

Stem Density. The extent to which the total number of trees in a given forest approaches the total number which the index forest of the same age and composition contains. It is ordinarily expressed as a decimal, one being taken as the numerical equivalent of the stem density of the index forest.

Stem Winder. A geared locomotive.

Stillwater. That part of a stream having such slight fall that no current is apparent.

Stock Logs. To deliver logs from stump to mill or railroad.

Storage Boom. A strong boom used to hold logs in storage at a sawmill.

Straw Boss. A sub-foreman in a logging camp.

Stream Jam. See Center Jam.

Stringer Road. See Fore-and-Aft Road.

Strip Method. That method of conservative lumbering in which reproduction is secured on clean-cut strips by self-sown seed from the adjoining forest.

Strip-Stand Method. A modification of the stand method in which reproduction cuttings are not made simultaneously throughout the stand, but the stand is treated in narrow strips at such intervals that reproduction cuttings are generally going on in three strips at

one time, one strip being in the removal stage, one in the seedling stage and one in the preparatory stage.

Stub. That portion of the stem left standing when a tree is accidentally broken off.

Stump. That portion of the stem below the cut made in felling a tree.

Stump Age. The age of a tree as determined by the number of annual rings upon the face of the stump, without allowance for the period required for the growth of the tree to the height of the stump.

Stumpage. The value of timber as it stands uncut in the forest; or, in a general sense, the standing timber itself.

Stump Height. The distance from the ground to the top of the stump, or from the root collar when the ground level has been disturbed. On a slope the average distance is taken as the stump height.

Sun Scald. An injury to the cambium caused by sudden exposure of a tree to strong sunlight.

Suppressed. Having growth more or less seriously retarded by shade.

Surface Fire. See Forest Fire.

Swamp. To clear the ground of underbrush, fallen trees and other obstructions preparatory to constructing a logging road or opening out a gutter road.

Swamper. One who swamps.

Swamp Hook. A large, single hook on the end of a chain, used in handling logs, most commonly in skidding.

Sway Bar. 1. A strong bar or pole, two of which couple and hold in position the front and rear sleds of a logging sled. 2. The bar used to couple two logging cars.

Swell Butted. As applied to a tree, greatly enlarged at the base.

Swing. See Gun.

Swing Dingle. A single sled with wood-shod runners and a tongue with lateral play, used in hauling logs down steep slopes on bare ground.

Swing Team. In a logging team of six, the pair between the leaders and the butt team.

Tail Chain. A heavy chain bound around the trailing end of logs, as a brake, in slooping on steep slopes.

Taildown. To roll logs on a skidway to a point on the skids where they can be quickly reached by the loading crew.

Tail Hold. 1. A means of obtaining increased power in moving a log by tackle. The cable is passed through

a block attached to the log and the end fastened to a stationary object, so that hauling on the other end gives twice the power which would be attained by direct attachment of the cable to the log. 2. The attachment of the rear end of a donkey sled, usually to a tree or stump.

Tail Hook. See Dog.

Tally Board. A thin, smooth board used by a scaler to record the number or volume of logs.

Tally Man. One who records or tallies the measurements of logs as they are called by the scaler.

Tank. See Sprinkler.

Tank Conductor. One who has charge of the crew which operates a sprinkler or tank, and who regulates the flow of water, in icing logging roads.

Tank Heater. A sheet iron cylinder extending through a tank or sprinkler in which a fire is kept to prevent the water in the tank from freezing while icing logging roads in extremely cold weather.

Tanking. The act of hauling water in a tank, to ice a logging road.

Tee. A strip of iron about six inches long with a hole in the center, to which a short chain is attached; it is passed through a hole in a gate plank, turned cross-wise, and so used to hold the plank when tripped in a splash dam.

Thicket. A stand of saplings.

Thin. See Crown Density.

Thinning. The removal of a portion of the trees with the object of improving the stand without inviting natural reproduction. The following kinds of thinning are distinguished:

Cleaning;

Improvement Thinning;

Accretion Thinning.

Throw. See Wedge a Tree.

Throw Line. See Trip Line.

Throw Out. See Frog.

Tide. A freshet. In the Appalachian region logs are rolled into a stream and a "tide" awaited to carry them to the boom.

Timberland. See Forest.

Timber Tract. See Forest

Timber Wheels. See Logging Wheels.

Toe Ring. The heavy ring or ferrule on the end of a cant hook. It has a lip on the lower edge to prevent slipping when a log is grasped.

Toggle Chain. A short chain with a ring at one end and

a toggle hook and ring at the other, fastened to the sway bar or bunk of a logging sled, and used to regulate the length of a binding chain.

Toggle Hook. A grab hook with a long shank, used on a toggle chain.

Tolerance. The capacity of a tree to endure shade.

Tolerant. Capable of enduring more or less heavy shade.

Tonging. Handling logs with skidding tongs.

Top Chains. Chains used to secure the upper tiers of a load of logs after the capacity of the regular binding chains has been filled.

Top Load. A load of logs piled more than one tier high, as distinguished from a bunk load.

Top Loader. That member of a loading crew who stands on the top of a load and places logs as they are sent up.

Total Increment. The total volume of wood produced by the growth of a tree or stand up to the time it is cut.

Tote. To haul supplies to a logging camp.

Tote Road. A road used for hauling supplies to a logging camp.

Tote Sled. See Jumper.

Tow Team. An extra team stationed at an incline in a logging road to assist the regular teams in ascending with loaded sleds.

Trailers. Several logging sleds hitched behind one another and pulled by four to eight horses driven by one man, thus saving teamster's wages.

Tramway. A light or temporary railroad for the transportation of logs, often with wooden rails and operated by horsepower.

Trap Tree. A tree deadened or felled at a time when destructive bark beetles will be attracted to it and enter the bark. After they have entered, the bark is peeled and exposed to the sun, burned or buried, as the case may require, to destroy the insects.

Travois. See Dray.

Travois Road. See Skid Road.

Tree Analysis. A series of measurements and observations upon a felled tree to determine its growth and life history. Tree analyses vary with their purpose, and may include all or a part of the following, or may require additions to meet special needs: The usual measurements comprise the length of each section, the diameter inside and outside the bark, the total age, the age and width of the sapwood, the diameter growth at given periods on the upper end of each sec-

tion, the diameter breasthigh, the total height, and the clear, used and merchantable lengths. The observations determine the class, form and condition of the tree. Although a tree analysis may include many combinations of the above measurements, two important classes are distinguished: A Stump analysis includes measurements of the diameter growth at given periods upon the stump only, no matter what other measurements it may comprise. A Section analysis includes measurements of the diameter growth at given periods upon more than one section. When, in a stump or section analysis, the measurement of the diameter growth at given periods covers only a portion of the total diameter growth, the analysis is a partial stump analysis or a partial section analysis.

Tree Class. All trees of approximately the same size. The following tree classes are distinguished: Seedling, shoot, small sapling, large sapling, small pole, large pole, standard, veteran.

Tree Scribe. See Scratcher.

Trip. See Wedge a Tree.

Trip a Dam. To remove the plank which closes a splash dam.

Trip Line. A light rope attached to a dog hook, used to free the latter when employed in breaking a jam, a skidway, or a load. See haul back.

Tripsill. A timber placed across the bottom of a sluiceway in a splash dam, against which rest the planks by which the dam is closed.

Trough Roof. The roof on a logging camp or barn, made of small logs split lengthwise, hollowed into troughs and laid from ridge pole to eaves. The joints of the lower tier are covered by inverted troughs.

Trunk. See Stem.

Turkey. A bag containing a lumberjack's outfit. To "histe the turkey" is to take one's personal belongings and leave camp.

Turn. 1. A single trip and return made by one team in hauling logs. A four-turn road is a road the length of which will permit of only four round trips per day.
2. Two or more logs coupled together end to end for hauling.

Turnout. A short side road from a logging-sled road, to allow loaded sleds to pass.

Twin Sleds. See Logging Sled.

Twister. See Spanish windlass.

Twitch. See Skid.

Two-Storied Forest. Comprising on the same area two classes, which vary considerably in height, composed of trees of different species. The term is not applicable to forest under reproduction, in which the appearance of two stories is the temporary result of an incomplete process, but to those forests of which the two stories of growth are a natural and permanent feature. In a two-storied forest the taller trees form the over-wood, or upper story. The shorter trees form the under-wood, or lower story.

Underbrush. All large, woody plants, such as witch-hobble, laurel, striped maple and devil's club, which grow in a forest, but do not make trees.

Undercut. The notch cut in a tree to determine the direction in which the tree is to fall, and to prevent splitting.

Undercutter. A skilled woodman who chops the under-cut in trees so that they shall fall in the proper direction.

Undergrowth. The ground cover, underbrush, and young trees below the large sapling stage.

Underwood. See Two-Storied Forest.

Uneven-Aged Forest. See Irregular Forest.

Union Drive. A drive of logs belonging to several owners, who share the expense pro rata.

Upper Story. See Two-Storied Forest.

Upright Roller. A flanged roller placed upright at a bend in a skid road to direct the cable.

Used Length. The sum of the lengths of logs cut from a tree.

Used Volume. The sum of the volumes of logs cut from a tree.

Valuation Area. A forest area of known size upon which measurements or other detailed studies are made for the determination of the stand or yield.

Valuation Survey. The measurement or other detailed study of the stand upon a valuation or experiment area. Two kinds of valuation survey are distinguished: 1. The strip survey comprises the measurement of a stand, or a given portion of it, upon strips usually one chain wide. 2. The plot survey comprises the measurement of the stand, or a given portion of it, upon isolated plots not in the form of strips.

Valuer. See Cruiser.

Van. The small store in a logging camp in which clothing, tobacco and medicine are kept to supply the crew.

Veteran. A tree over two feet in diameter breasthigh.

Veteran Forest. A forest of veterans.

Virgin Forest. See First Growth.

Volume Table. A tabular statement of the volume of trees in board feet or other units upon the basis of their diameter breasthigh, their diameter breast-high and height, their age, or their age and height.

Volunteer Growth. Old field growth. Young trees which have sprung up in the open, as pine in old fields or cherry and aspen in burns.

Wagon Sled. See Logging Sled.

Wanigan. A houseboat used as sleeping quarters or as kitchen and dining room by river drivers.

Water Ladder. Pole guides up and down which a barrel slides in filling a sprinkler by horsepower.

Water Slide. See Flume.

Wedge a Tree. To topple over with wedges a tree that is being felled.

Weed Tree. A tree of a species which has little or no value.

Wet Slide. See Flume.

Whiffletree Neckyoke. A heavy logging neckyoke, to the end of which short whiffletrees are attached by rings. From the ends of the whiffletrees wide straps run to the breeching, thus giving the team added power in holding back loads on steep slopes.

White Water Man. A log driver who is expert in breaking jams on rapids or falls.

Widow Maker. A broken limb hanging loose in the top of a tree, which in its fall may injure a man below. Or a breaking cable.

Wigwam. Trees lodged in such a way that they support each other.

Windbreak. The breaking of trees by wind.

Windfall. A tree thrown by wind. An area on which the trees have been thrown by wind.

Windfirm. Able to withstand heavy wind.

Windshake. See Shake.

Windslash. See Windfall.

Wing Dam. See Pier Dam.

Wing Jam. A jam which is formed against an obstacle in the stream and slants upstream until the upper end rests solidly against one shore, with an open channel for the passage of logs on the opposite side.

Woodland. See Forest.

Woodlot. See Forest.

Woodpecker. A poor chopper.

Working. The harvesting of the final yield under a working plan. Working is annual when cuttings are made each year; periodic when they are made after

uniform periods of two or more years; and intermittent when they are made at irregular intervals. Sustained annual, periodic, or intermittent workings are those under which the amount of wood cut is so regulated that the productive capacity of the forest does not decrease, but produces a sustained yield, which likewise may be annual, periodic or intermittent.

Working Area. The total forest area managed under a working plan.

Working Plan. A detailed and comprehensive scheme for the best permanent use of the forest.

Working Plan Renewal. The preparation of a new working plan for a given contract, when the present working plan has been carried out, or changed conditions require its revision.

Wrapper Chain. See Binding Chain.

Yard. See Landing.

Yarding Donkey. A donkey engine mounted upon a heavy sled, used in yarding logs by drum and cable.

Yield. The amount of wood at present upon, or which after a given period will be upon, a given area. See Present Yield; Future Yield; Accident Yield; Intermediate Yield; Final Yield; Working.

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